

OVERSEAS NEWS

Sikh MP resigns in aftermath of Amritsar killings

BY JOHN ELLIOTT IN NEW DELHI

HORROR AMONG the Sikh community in India, at the deaths in the Golden Temple complex in Amritsar last week of between 450 and 700 people, is beginning to create serious political problems for Mrs Indira Gandhi, the Prime Minister. A leading Sikh parliamentarian from the Punjab last night resigned both his seat as an MP and his membership of Mrs Gandhi's Congress-I Party as speculation increased about the reactions of President Ziaul-Haq, who is a Sikh. Growing resentment among the Sikhs—who are prominent in Indian life—could upset moves the Government is expected to make in order to reach an agreement on the Punjab problems. The MP was Mr Amarinder Singh, who represents the south-eastern Punjab city of Patiala. His father was the last Maharajah, so the politician has a role as a community leader. He resigned both because of the army's entry of the Golden Temple area and because of the severe damage to the Akal Takht, the second most sacred building, whose damaged facade was shown on Indian television for the first time on Saturday night. Rumours that the President, who is in the middle of a five-year term of office, would resign were officially denied yesterday. But it was stated that he was still deeply upset after his visit to the Golden Temple on Friday. He has cancelled an official engagement today. Last night he had a talk with Mrs Gandhi for an hour. The Government had hoped that the President's visit to the temple would help to soothe the distress among Sikhs. But he was so shocked at the damage to Akal Takht, which was used by the extremists as a hide-out and munitions store, that his visit appears to have caused more political problems than it has solved. The President was presented yesterday with a petition by Sikh religious leaders in New Delhi asking him to resign and stating that he was wrong to order the Government to repair the Akal Takht. Such work should only be done by the Sikh community, they said.

Leaders of Swapo arrested in Windhoek

My Michael Holman in Johannesburg

ALMOST the entire internal leadership of the South-West African People's Organisation (Swapo) was detained in the Namibian capital, Windhoek, over the weekend. They are alleged to have held an illegal meeting. The topic of the detentions is likely to be raised when Dr Chester Crocker, the U.S. Assistant Secretary of State for African Affairs, meets Mr P. W. Botha, the South African Prime Minister, in Rome tomorrow, for talks on the future of Namibia (South-West Africa). This could prove to be a highly embarrassing development for Mr Botha, now near the end of an eight-nation tour of Europe, which is to include a meeting with the Pope today. During his tour, the South African Prime Minister has stressed South Africa's desire to see an early end to the 18-year-old conflict in Namibia, and has attempted to assure European leaders in Lisbon, London, Bonn and elsewhere of his government's good faith. The arrests took place in Windhoek on Saturday afternoon. Party officials were holding a barbecue to celebrate the recent release of 54 Swapo prisoners held at a Namibian internment camp since 1978. None of the ex-internees was arrested, but Mr Niko Bessinger, joint secretary of Swapo, and Mr Daniel Tjongarero, deputy national chairman, were among 37 officials and supporters detained by security police. Although Swapo is waging a guerrilla war for Namibian independence, the organisation is not banned inside the territory. Swapo meetings, however, are illegal under Namibia's security legislation. Queenin Peel adds: Mr Botha is also expected to address a seminar of international businessmen in Rome today, including chairman and chief executives from several major multinational corporations. Mr Gavin Reilly, chairman of the Anglo American Corporation, is to chair the meeting.

Israeli official quits over 'vote catching'

BY DAVID LENNON IN TEL AVIV

THE TOP civil servant at the Israeli Treasury has resigned, apparently in protest over the blatant vote-catching policies pursued over the past few weeks by Mr Yigal Cohen-Orgad, the Finance Minister. Dr Emanuel Sharon, the director general of the Treasury, told the FT that he had resigned "for objective reasons, not personal reasons." While he refused to say any more, other Treasury officials said that Dr Sharon was deeply disappointed over the way some of the Minister's recent decisions were clearly influenced by his party's need to win votes in next month's general election. The Cabinet approved the appointment yesterday of Mr Nissim Baruch, the Prime Minister's economic adviser and a member of the ruling Herut Party, as the new director general of the Treasury. Mr Cohen-Orgad, who took

Mr Javier Perez de Cuellar, Secretary-General, opposes the stationing of UN troops in the Bekaa Valley in eastern Lebanon to separate Israeli and Syrian troops there, according to Israel Radio, our Tel Aviv correspondent writes. The Secretary-General yesterday visited the UN Interim Forces in Lebanon (UNIFIL) which have been stationed in southern Lebanon since the Israeli withdrawal following the 1978 invasion. The peace-keeping forces have remained in position, even though they were completely overrun during the second Israeli invasion in 1982. Mr Yitzhak Shamir, the Prime Minister, had planned to suggest the redeployment of the UN troops when Mr de Cuellar visits Jerusalem today. The premier said over the weekend that the peace-keeping force could be more effective as a buffer between two regular armies. The Secretary-General was quoted by Israel Radio as saying that instead the UN forces should take over the positions in Lebanon evacuated by Israel. He also said that it would be possible to enlarge the 6,000-man force, if the participating countries agreed. About 30,000 supporters of Israel's Left-wing Peace Now Movement marched through Tel Aviv last night to mark and condemn the second anniversary of the Lebanon war.

keeping forces have remained in position, even though they were completely overrun during the second Israeli invasion in 1982. Mr Yitzhak Shamir, the Prime Minister, had planned to suggest the redeployment of the UN troops when Mr de Cuellar visits Jerusalem today. The premier said over the weekend that the peace-keeping force could be more effective as a buffer between two regular armies. The Secretary-General was quoted by Israel Radio as saying that instead the UN forces should take over the positions in Lebanon evacuated by Israel. He also said that it would be possible to enlarge the 6,000-man force, if the participating countries agreed. About 30,000 supporters of Israel's Left-wing Peace Now Movement marched through Tel Aviv last night to mark and condemn the second anniversary of the Lebanon war.

Minister began to ease back on his remedial policies despite the severe difficulties facing the economy. To help push this programme through he invited Dr Sharon, who had served for many years as general manager of the Israeli subsidiary of the Control Data Corporation of the U.S., to take over at the Treasury. However, when the Knesset forced early general elections on the Government, the

Minister began to ease back on his remedial policies despite the severe difficulties facing the economy. To help push this programme through he invited Dr Sharon, who had served for many years as general manager of the Israeli subsidiary of the Control Data Corporation of the U.S., to take over at the Treasury. However, when the Knesset forced early general elections on the Government, the

Turkish public spending to increase budget 24%

BY DAVID GARCHARD IN ANKARA

THE TURKISH government is to raise spending in the 1984 budget by TL 700bn (£1.6bn), in order to pay foreign debts, and give civil servants an 11 per cent pay rise. The increased expenditure will be met by increased taxes and TL 45bn of domestic borrowing. The new spending target represents a 24 per cent increase on the budget of TL 3,250bn announced last November—the largest increase of a Turkish budget outside wartime. The bulk of the money, TL 590bn, will go to service debts with TL 50bn covering the civil servants' pay increase. Mr Turgut Ozal, the Prime Minister, recently told reporters that the previous government had not provided for foreign debt servicing. Prof Memduh Yasa, a spokesman for the opposition Nationalist Democracy Party, described the government's proposals for financing the budget increase as "imaginary". Final details of the government's new tax package have still to be announced. The budget increase comes as Mr Ozal's government is facing criticism over its handling of the economy. Inflation is running at an annual rate of more than 50 per cent, although the Prime Minister has promised that it will start to fall in the next month or two. Price rises for most commodities are announced daily and net interest rates to borrowers are running at more than 70 per cent.

AN INCREASINGLY tense battle of wits over industrial restructuring between the French Government and the country's two largest private sector groups, the Peugeot car concern and the Empain-Schneider engineering empire, is heading towards a showdown. The companies issued defiant responses at the weekend to Government efforts to break the deadlock over the cash crisis at Creusot-Loire, the big international engineering arm of the

Clash near on Citroen and Creusot-Loire

BY DAVID MARSH IN PARIS

expiry of Tuesday's deadline looks increasingly likely after M Didier Pineau-Valencienne, the chairman of Creusot-Loire and Schneider, delivered a rebuttal at the weekend to the Government's latest plea that Creusot-Loire's shareholders put up more funds. Last-minute negotiations, however, could still bring financial relief to Creusot-Loire, which lost FF 1.7bn (£1.8m) last year.

Belgrade — THE INTERNATIONAL Monetary Fund (IMF) has formally approved final pre-conditions for Yugoslavia to begin drawing on a \$370m (£264m) stand-by credit. Mr Vlado Klemencic, the Yugoslav Finance Minister, said. He said the IMF's executive board had approved a supplementary letter of intent setting out Yugoslavia's plans for internal economic adjustments. Yugoslavia would draw the first instalment of the credit in mid-June, he added. The credit, approved at a lower level in March, clears

the way for a \$2bn western rescue package for Yugoslavia, whose foreign debt is about \$20bn. A supplementary letter of intent had to be worked out after the IMF objected to the way a price freeze was lifted on May 3. In Manila, the Philippines Government yesterday raised the official price ceilings on foodstuffs and other basic items, setting off a general wave of price rises. The increases ordered were part of austerity measures aimed to solve the country's economic problems, including its foreign debt. The austerity measures comply with terms set by the IMF for a stand-by credit of \$630m for the Philippines. Tim Coone adds from San Jose: Agreement by the end of June between Costa Rica and the IMF over conditions on a new \$100m stand-by credit looks remote. Sr Alberto Fuit, the acting President, said that changes will have to be made to the original proposals for a new letter of intent to the IMF because of "changed economic conditions."

Heavy fighting across Beirut 'green line' BEIRUT — Muslim and Christian fighters bombarded each other and residential areas with shells and rockets throughout yesterday after a night of shelling and shooting in which two people were killed and 40 wounded. Residents and radio stations in Christian East Beirut and the mainly Muslim west described the flare-up as the heaviest and longest for several weeks. There was no immediate explanation for the intensification of violence, but it coincided with a visit by the UN Secretary-General, Sr Javier Perez de Cuellar. The fighting forced him to alter his schedule and fly by helicopter from southern Lebanon, where he inspected UN forces, direct to the Christian town of Jumieh, nine miles north of Beirut, for a connecting flight to Amman via Damascus. Thousands of people on both sides of the "green line" dividing the city spent Saturday night in basements or stairwells as shells and rockets thundered into densely populated areas. Shelling and fighting usually dies away by daybreak, but explosions and gunfire could be heard almost continuously. Reuter

GREENOCK • GLASGOW AIRPORT • PERTH • INVERNESS • STIRLING • SCANDINAVIA • ABERDEEN



Advertisement for Cambuslang Investment Park. Text includes: 'Pick the spot closest to your ideal for relocation and Cambuslang Investment Park would be it. It is within the City of Glasgow right at the hub of Scotland's motorway system in an area on business over-drive at present. This is the largest greenfield site of its kind in Scotland, 400 acres, so size is no object (neither is money as you'll see later). From a site of 50 acres to an advance factory of 2000 sq.ft. no company is too big or too small for Cambuslang Investment Park. Whether you're in manufacturing, distribution or in commerce, it's a racing certainty you'll want to be mobile. And that brings us back to the motorways. They link you West to Glasgow Airport and Greenock Container terminal, East to Edinburgh, North to Dundee and Aberdeen and South to England and Europe beyond. And your own direct link to the motorway is on its way. Since it's named an Investment Park, we even provide some of the investment. Cambuslang is within a special development area, so your place in the Park can come complete with financial assistance. If you want your company to reach all parts, Cambuslang is the location for you. You'll be in top GEAR* all the way. CAMBUSLANG INVESTMENT PARK a site more central. Contact: Scottish Development Agency, Templeton Business Centre, Templeton Street, Glasgow G40. Tel: 041-554 7787. *Cambuslang Investment Park is an integral part of GEAR - Glasgow Eastern Area Renewal.

Advertisement for ESO Chargecard. Text includes: 'If you are a financial director... If you're under constant pressure to cut costs... If you sometimes feel like chucking it all in... If you hadn't thought of yourself as a fleet operator yet your company runs dozens of company cars that need financial control... If you think some people are not quite clear what your company will pay for and what it won't... If you think there's no way through your problems... STOP If you've never heard of ESO Chargecard!... But you agree that one consolidated statement for your fleet every two weeks would be better than loads of different ones... And you feel like steaming ahead and cutting down paper work and accounts department time... Then phone (01) 404 4878 now or fill in the coupon for details. ESO Chargecard gives you complete financial control in one consolidated statement every fourteen days. Single VAT Invoice incorporating all your fleet's ESO Chargecard purchases. Individual number for each card relating to driver. Vehicle registration guards against purchases for unauthorised vehicles. Date of purchase. Key denotes type of purchase: petrol, diesel or oil. Card fees invoiced monthly - no annual lump sum to pay for in advance as with many other commercial chargecards. One total amount for all your fleet's ESO Chargecard purchases. ESO Petroleum Co. Ltd, PO Box 2, Central Way, Fotherham, Middle. TW14 0TG. I am interested in the ESO Chargecard, please send me details. Position in Company: Company Name: Address: Telephone No. No. of Vehicles we have: FT2

UK NEWS

Employers and unions agree to joint talks

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE MOST senior figures in the Confederation of British Industry (CBI) and the Trades Union Congress (TUC) have met privately in the past few weeks to agree in outline a new approach with the Government to such crucial issues as pay, productivity and unemployment.

In spite of the formidable difficulties surrounding such a joint approach, there is an air of optimism from all sides. If the strategy were successful, it would mark the first time that the Government, the CBI and the unions have entered into serious tripartite talks since Mrs Margaret Thatcher's first electoral victory in 1979.

Those from the CBI taking part include Sir James Clesminson, the CBI's new president and chairman of Beckitt and Colman, Sir Alex Jarratt, chairman of IPC and of the CBI's employment policy committee, Mr Ronald Utiger, chairman of TI, Sir Austin Pierce, chairman of British Aerospace, and Sir Terence Beckett, director general of the CBI.

The TUC representatives include Mr David Bassett, general secretary of the General Municipal and Boilermakers Union and chairman of the TUC's economic committee, Mr Moss Evans, general secretary of the Transport and General Workers Union, Mr Terry Duffy, president of the Amalgamated Union of Engineering Workers and Mr Len Murray, the TUC's general secretary.

They have agreed that discussions on the issues should be undertaken seriously to address the twin problems of high unit labour costs relative to competitor countries and the high levels of unemployment, especially long-term unemployment.

Both sides believe the best forum for these talks to be the National Economic Development Council (NEDC), since the government, as one of the council's three partners with the unions and industry, is seen as playing a major role in promoting policies to combat unemployment.

The TUC's decision to withdraw its members from the council in March, in protest at the Government's ban on unions at its Chesham communications centre, presents this strategy with a problem which it is now attempting to resolve.

The TUC's economic committee on Wednesday will discuss the possibility of a meeting between the six union members on the council and CBI representatives later this month - a meeting at which the NEDC's role and scope would be a central topic.

If the two sides could agree to channel substantive discussions through the council and agree an agenda for talks the economic committee would probably recommend to the TUC general council that the unions resume their seats and begin hard talking.

The unions and the CBI have already shown some agreement - on the talks within the NEDC about new jobs, on joint approaches to regional industrial development and on pressing the Government to invest in large-scale infrastructure projects such as roads, bridges and sewers.

Mr Ron Todd, a left-winger, is expected to be declared the new general secretary of Britain's biggest union, the Transport and General Workers, in succession to Mr Moss Evans, when the results of membership voting are officially announced at the end of the month, Philip Bassett writes.

The expected election of Mr Todd, the union's national organiser, is a reaffirmation of its tradition of left leadership, many will see it as a lost opportunity for change promised by Mr Todd's leading opponent, Mr George Wright, the TGWU's Wales regional secretary.

Shorter week 'threat to clothing industry'

FINANCIAL TIMES REPORTER

A WARNING that the 39-hour week for clothing workers, which comes into effect in parts of the industry on August 20, could have a serious effect on the industry has been given by Mr Alistair Dewhurst, chairman of L J Dewhurst.

The Lumberville company is a big supplier of suits to Marks and Spencer, with which it has been associated for over a century.

Mr Dewhurst said that the full cost of the reduction in the working week had not been "really understood or appreciated" by the union.

An hour off the working week represented more than an extra week's holiday every year. "This is a heavy burden on an industry which competes with low-cost imports from Eastern Europe, who subsidise their exports, and from the Far East, which employs cheap labour."

Although Mr Dewhurst is unhappy at the possibility of the reduction in hours pushing up unit costs, the clothing and textiles industries are among the last to move from a 40 to a 39-hour week.

This was first introduced around four years ago in engineering but it is still some way off for large parts of the clothing and textiles industry. Some 80 per cent of British industry is now on the shorter week.

While clothing makes the change in August, the knitting industry and the cotton spinners and weavers do not make the switch until the start of next year.

BOTH SIDES IN COLLIERY DISPUTE SPEAK OF REALISM

Union optimistic over coal board talks

BY OUR LABOUR STAFF IN LONDON

MR PETER HEATHFIELD, general secretary of the National Union of Mineworkers (NUM), yesterday sounded an optimistic note about the continuing talks between the union and the National Coal Board over the 13-week-old dispute over pit closures.

He said that Mr Ian MacGregor, the NCB chairman, was now properly negotiating with the union for the first time since his appointment last year.

At the same time, however, Mr Arthur Scargill, president of the NUM, insisted that there would be no compromise by the union in the talks.

Further discussions will take place between the two sides this week. After a second round of talks last week, Mr MacGregor said he detected "a degree of realism." This week's talks are expected, as before, to be held in a secret location in an attempt to reduce the public pressure upon them.

Both the board and the union are still refusing to disclose any substantive details of the areas of discussion. But it is clear that the talks are genuine negotiations aimed at finding common ground.

Mr Heathfield, speaking publicly yesterday for the first time since last week's talks, said of Mr MacGregor's perception of "a degree of realism" that "my view was that he was being realistic for the first time."

The NUM general secretary described the talks as very amicable. "We are in the position now where we are really negotiating for the first time since he (Mr MacGregor) became chairman of the board." He added: "He was willing to talk and knock counter proposals about."

Mr Scargill, addressing a rally for jobs in London, said that the dispute would continue until Mr MacGregor withdrew the pit closure programme. The NCB, he said, wanted to negotiate because it knew it was losing the dispute.

Mr Neil Kinnock, the Labour Party leader, said yesterday that it was an act of "utter irresponsibility" by the Prime Minister not to have used the power of her office to resolve the dispute, rather than inflame it.

He criticised press coverage of the dispute and said that most of the press had refused to try to report or investigate the basic cause - fear of unemployment.

There is unlikely to be anything concrete from the talks this week to put to the monthly meeting of the NUM's executive committee on Thursday. But Mr Heathfield said the talks this week would "try to put some flesh on the skeleton" of what had come out of the discussions so far.

The executive seems most likely to reaffirm support for the strikes and to endorse continued discussions.

Many more miners expected to refuse bail terms

BY DAVID GOODHART, LABOUR STAFF

AN INCREASING number of picketing miners are expected to be sent to jail in the coming weeks for refusing to accept what they see as draconian bail conditions.

Publicly surrounded the 19-day detention of Mr Malcolm Pitt, the Kent area president of the National Union of Mineworkers (NUM), who was released last Thursday with a £100 fine - but the same day another 15 miners went into custody for refusing to accept bail conditions.

Mr Pitt, who was fined for obstruction, had been kept in custody for breaking bail conditions not to picket.

Ms Helena Kennedy, a barrister who has been working for the NUM, says many miners she is representing have now decided on principle not to accept any bail conditions. That could mean hundreds of miners in prison - so far arrested 3,500 miners have been arrested since the dispute started - and the focus of mass demonstrations moving from Orgreave and the pits in Nottinghamshire to Durham or Lincoln prisons.

The NUM argues that bail conditions have been deliberately used by the courts to reduce the impact of picketing.

In the early stages of picketing, arrested miners went straight for trial and usually received small fines. As the courts became clogged, trials were delayed and bail conditions were imposed.

Initially those stipulated that pickets could only picket their own places of work. They then were ex-

tended in some cases to not going within a certain distance of National Coal Board property.

Bail conditions have also included banning people from a county - usually Nottinghamshire - and attending NUM demonstrations. In the past two weeks both Derbyshire and Yorkshire have reported members having 6pm to 8am curfews imposed.

However, Ms Kennedy says that many of the conditions are unlawful under the Bail Act.

ICL holding talks with Government on sale of Inmos

BY JASON CRISP

ICL, the British computer group, confirmed yesterday that it has been having discussions with the Government about the future of Inmos, the state-backed microchip company.

The discussions are part of an attempt to sell Inmos but retain its microchip technology in Britain. The Government is considering an offer from American Telephone and Telegraph for Inmos's semiconductor plants in Colorado and South Wales. ICL and other British companies have had talks about the future of the design team at Bristol where Inmos employs about 70 people, and the implications for technology if it is sold.

The Government is keen to reduce its 75 per cent holding in Inmos, in which it has invested more than £100m in equity, guaranteed loans and grants. AT&T is thought to have offered about £50m for the two plants. The Government's equity investment is £85m. AT&T would also take over its borrowings which are limited to £35m.

Earlier this year the Inmos board rejected a similar financial offer from AT&T. Last month, however, it had direct discussions with Mr Norman Tebbit, Trade and Industry Secretary, over the heads of Inmos and the British Technology Group, which holds the government stake - founders and employees own the other 25 per cent.

Mr Kenneth Baker, Minister for Information Technology, said in the House of Commons last week the Government would bear in mind three criteria in addition to price before selling Inmos: "Continuing access to the technology by British industry, the need for a continuing transfer of technology to Britain, and a commitment to the development and expansion of activity in Britain."

The outcome of the discussions on Inmos are still very uncertain. Any decision is likely to be made by Mrs Margaret Thatcher and a handful of Cabinet ministers. The Inmos board is likely to oppose plans to split the design team from the production facilities. That team is well regarded in the semiconductor industry and has been working on new types of microchips which it believes will become the heart of the next generation of very powerful computers.

Inmos was set up by the Callaghan Government in 1978 to give Britain a presence in mass market microchips.

KNOWN THE WORLD OVER

BankAmerica Travelers Cheques. World Money.

Wherever your travels take you, you'll find few things as widely recognized as BankAmerica Travelers Cheques. They are carried with confidence by experienced travelers on six continents, welcomed by merchants in 160 countries, and backed by a worldwide refund network and assets in excess of U.S. \$120 billion. BankAmerica Travelers Cheques. Available in leading world currencies from thousands of banks all over the globe. If you're going as far as Sydney you can even use them for opera tickets.



BankAmerica Corporation



***** **NEW** A high rate on US dollar deposits and your own cheque book

9.75% 10.25% compound

TYNDALL BANK DOLLAR MONEY ACCOUNT

Now Tyndall Bank offers you an easy way of earning higher interest on US dollar deposits whilst retaining complete access to your savings at all times.

Tyndall's new Dollar Money Account enables expatriates and other overseas residents to benefit from rates of interest normally only available to major investors in the London money market.

In addition the dollar account offers the following facilities:

- Security - deposits are placed with major recognised banks in the UK or their wholly owned subsidiaries.
- High interest - paid gross without deduction of tax.
- Your own dollar cheque book - minimises correspondence, simplifies transfers and direct payments, and gives you access to your funds at all times.
- Interest credited four times a year - means an even higher return because interest is earned on the interest. The current rate, if maintained, equals 10.25% p.a.
- No reports to any government authority - for non-residents of the Isle of Man.

Tyndall Bank (Isle of Man) Limited is licensed under the Money Banking Act 1975.

The Tyndall Group is one of the leading investment management groups in the UK, and is wholly owned by Globe Investment Trust P.L.C. Funds managed within the Globe Group exceed £1,000 million.

*Rate at time of going to press. Current rate published daily in the Financial Times.

Minimum opening deposit is US\$5,000, or equivalent.

Send off now for full details by completing the coupon below.

Tyndall Bank (Isle of Man) Limited
Dept FTF, 30 Athol Street, Douglas, Isle of Man
Telephone: 021-56450 Telex: 3766

Please send me full details of the Tyndall Bank Dollar Money Account. I am/ am not a customer of Tyndall Bank (Isle of Man) Limited.

Name _____
Address _____

FTF/Jun/84

UK NEWS

Government urged to redraft proposals for tax haven curbs

BY WILLIAM COCHRANE

A FURTHER attack was launched yesterday on Government plans to the Finance Bill aimed at clamping down on companies which operate out of tax havens.

They emphasise that the CFC proposals, presented as an attack on tax havens, extend to all UK-controlled companies resident anywhere in the world.

The four bodies say that certain aspects of the proposed legislation are so technical that many companies will, in practice, have no clear idea whether and how they will be affected.

Increased gas imports backed

BY IAN HARGREAVES

BRITAIN should increase its dependence upon imported gas rather than following a strategy of growing self-sufficiency, according to a paper published today by the Royal Institute of International Affairs and the Policy Studies Institute.

Gas from the Soviet Union, it says, "could be landed in the UK in large quantities at an attractive price."

The paper, one of a series examining aspects of UK energy self-sufficiency, bases its projections on the Department of Energy's own base case forecast to the Sizewell B nuclear power station inquiry.

Foreign gas will be cheaper than domestic alternatives, the paper argues. Worries about security of supply can be answered by broadening the supply base from Norway to include the Soviet Union and, in the longer term, Algeria and other African and Middle East producers.

Beyond the turn of the century, however, this approach would require rapid build up of a coal gasification system.

Gas's Contribution to UK Self-sufficiency. Jonathan Stern for the British Institute's joint energy policy programme. Heinemann Educational 24.50.

Anthony Moreton starts an FT series on industry in post-recession Britain Tootal takes to the international path

ALAN WAGSTAFF occupies a splendidly modern office on the sixth floor of a new building in the heart of Manchester's business centre.



word for quality and reliability, has developed strongly in the past few years and the Silima Wales operation which supplies it has expanded considerably.

TOOTAL'S KEY FIGURES table with columns for 1983-84 and 1978-80, and rows for Profit, Turnover, Exports, Employees, and Capital.

The move, deliberately undertaken last year by Mr Wagstaff, was more than an exchange of one set of offices for another.

But there has been a great change in attitudes. "Boardroom talk in those days was all about volume," he says.

with its branded goods; too much emphasis on products (such as towels) which low-cost countries could produce more cheaply.

Around the same time Tootal, whose product names include English Sewing Cotton, Rayst, Osman and Silima as well as its company name, switched the headquarters of its thread division, its largest product group, from Manchester to the U.S.

The increasing withdrawal from conventional textiles - Osman towels being the most recent example - has allowed the group to concentrate on a larger throughput of standard clothes to fewer but larger buyers.

In particular, the company has set its cap at Marks and Spencer. Mr Wagstaff says this is one of the three growth areas the company has identified.

The transformation has not been accomplished without considerable pain. The UK workforce has been reduced from around 17,000 in 1979 to some 8,000 now and the numbers employed overseas have come down from 22,000 to 19,700.

In fact, Tootal managed to weather the textile depression, which was just taking off in 1979, rather better than many of its rivals.

Despite all the improvements, though, there are still areas where Tootal is weak. "Branded goods has had a very unsatisfactory year," Mr Wagstaff says.

From Casablanca To Cape Town.



Johnnie Walker Red Label THE CLASSIC SCOTCH WHISKY ANYWHERE.

Total fleet cost control means...

Car, van and truck leasing. Contract hire with or without maintenance and repair services. Fleet management services. Leasing. Finance. Administration. Maintenance. Repairs. Disposal and replacement. Contract purchase. Buy and lease back.

Assisted areas map 'should be redrawn'

By our Regional Affairs Editor

THE Government has missed the opportunity to make a fundamental re-examination of its whole policy on assistance to industry, according to the Association of British Chambers of Commerce.

In its submission to the Department of Trade and Industry commenting on the White Paper (policy document) on regional industrial development, it suggests the aim should have been to establish a much-needed national strategy for industry development.

The association reiterates its support for a much more selective aid policy, which it considers would give better value for money, and calls for a fundamental reappraisal of the assisted areas map.

It would make sense, the association claims, for the map to be drawn according to local authority boundaries or even the boundaries of wards or groups of wards.

The main criterion for assistance should be high unemployment, particularly where it is long-term. Assisted-area status might become automatic when unemployment in an area went above 15 per cent, but such status should be for a fixed time after which it should be automatically reviewed.

While accepting that the grant system should be more cost-effective and job-related, the chambers do not believe that the immediate creation of jobs should be the sole criterion for aid.

"The viability and efficiency of the projects supported are also of fundamental importance," they say.

They firmly oppose any cuts in the amount spent on regional aid, but say that if there is any phasing out, the savings should be used to strengthen selective schemes and, in particular, infrastructure investment.

Funds from the European Economic Community should not be used to disguise cuts in the UK regional budget.

Industrial Development Towards a Fairer Deal Association of British Chambers of Commerce 212a Shaftesbury Avenue, London WC2.

Idle merchant fleet tonnage at lowest level for 18 months

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE VOLUME of idle merchant shipping tonnage in world fleets fell further to the lowest level for 18 months at the end of April, according to the General Council of British Shipping (GCBS). Freight rates continued their gradual recovery throughout May.

covering from 97 in February. A year ago, it also stood at 115. The highest level was 275 in April, 1980.

The idle shipping total fell to 77m deadweight tons - 11 per cent of world tonnage - at the end of April, or 1,506 ships, from 80.4m dwt (1,629 ships) the month before.

Most of the laid-up ships are tankers. About 19 per cent of the world tanker fleet is still idle, with the April total easing to 58.2m dwt from 59.7m dwt the month before.

World trade was now moving the right way, the GCBS said, but it warned there was still far to go before supply and demand, especially in the bulk cargo sector, were in better balance and freight rates could rise to remunerative levels.

The UK idle tonnage total remained above the world average at 13 per cent of the fleet or 3.4m dwt, mostly tankers.

Mr Patrick Shovelton, director-general of the GCBS, said the signs of a pick-up in world trade indicated "the time could be approaching to invest in modern, efficient tonnage to be ready for the real upturn."

It was thus unfortunate, he said, that the UK Chancellor had removed free depreciation on ships in the latest budget last March and altered the capital allowance system.

This struck "a serious blow at the industry's investment prospects."

WORLD IDLE SHIPPING (m dwt) table with columns for Dry cargo, Tankers, and Total, and rows for June 30, 1982, December 31, 1982, June 30, 1983, June 30, 1983, and April 30, 1984.

Source: General Council of British Shipping

Motorcycle sales trend starts to improve

BY JOHN GRIFFITHS

THE FIRST stirrings of recovery for the deeply depressed powered two-wheeler market in the UK emerged last month.

of our annual sales comes after August 1 with the change in registration letter. Our performance in that month will be crucial to the results for the year.

Mr Pat Myers, president of the Motor Cycle Association, described the improving trend as encouraging, but he said it was impossible to forecast sales unless the trend continued for some months.

Last year was one of the worst in the industry's history. Only 174,000 machines were sold, little over half of the 1980 level.

Westland signs deal on Australian trainer

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WESTLAND, the UK helicopter manufacturing company, will undertake the production and sales promotion of the Australian Wirra A-20 basic trainer aircraft in Europe, it is selected by the RAF as its next trainer.

British-designed and built Firecracker, from Firecracker Aircraft, which as yet has no major production capability signed up in its support.

A memorandum of understanding has been signed between Sir Basil Blackwell, deputy chairman and chief executive of Westland, and Mr Peter Smith, director of the Australian Aircraft Consortium, to establish a joint company to manage the promotion, sales and manufacture of the A-20 in Europe.

The Ministry of Defence is expected to announce its choice later this year. It has already insisted that, whichever aircraft is chosen, it will require either majority or total manufacture and assembly of it in the UK.

The others are the Swiss Pilatus PC-9, with British Aerospace supporting that venture; the Brazilian Embraer Tucano, supported by Short Brothers of Belfast; and the

This explains why the foreign competitors recently have been signing deals with UK manufacturers for their support.

Announcing its deal with the Australian group, Westland said that list for selection by the RAF to replace the ageing Jet Provosts.

Any A-20 aircraft sold in Europe would be built and assembled in the UK at the Westland factories at Weston-Super-Mare, Cowes and Milton Keynes.

ROOSEVELT AND CHURCHILL: A TALE OF TWO MARTINIS

Concerning affairs of state, these two great statesmen were frequently of a single mind. But in the mixing of dry martinis, there was a parting of the ways.

FDR enjoyed his dry martini in the then traditional manner: two parts gin to one part vermouth. Sir Winston, his friend and ally acknowledged the traditional role of vermouth merely by glancing at the vermouth bottle as he poured the gin.

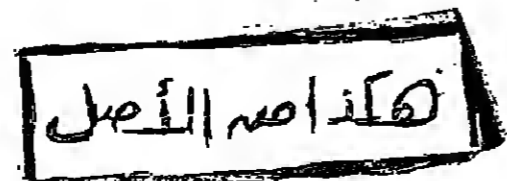
History would appear to be on Churchill's side, which is not surprising. After all, who knows more about gin than the English?



Pan Am's Latest To New York.

The last flight of the day to New York is Pan Am's 1900 from London Heathrow. It's an easy connection from most European cities. But best of all it delivers you to New York in time for a good night's sleep. And to smooth the way further, First and Clipper® Class passengers can reserve a free limousine into Manhattan. Pan Am's 1900 flight. The latest way to arrive in New York.

For further information and reservations contact your Travel Agent or nearest Pan Am office. Pan Am. You Can't Beat The Experience.



THE GOVERNMENT'S CASE.

THE METROPOLITAN COUNTY COUNCILS' CASE.



THIS WEEK, THE LORDS WILL LOOK AT BOTH SIDES OF THE ABOLITION ARGUMENT.

The Government's controversial Paving Bill is about to enter the House of Lords.

Designed to cancel next year's scheduled elections for the six metropolitan county councils, it paves the way for the abolition of these authorities.

Unheard of in peace-time, the scrapping of elections sets a very dangerous and disturbing precedent.

Constitutionally suspect, it has nevertheless been forced through the Commons by a Government which refuses to listen to reason.

Effectively denying 18 million people the fundamental right to vote, this, and the wider issue of abolition, has caused widespread concern throughout the country.

Although the Government won't admit it, literally thousands of highly critical responses have been made to the proposed legislation.

Most of them from totally unpartisan quarters. And some from elder statesmen of the Conservative party.

But it seems the Government's mind is made up.

"What has been revealed is how little prior thought went into this programme in advance not only of the election and the manifesto but the publication of last autumn's White Paper. Debaters in the Lords must not let ministers escape with interim arrangements which manifestly abrogate their own principles."

TIMES LEADER, 24TH MAY 1984

"It could in no sense be construed as a defeat for the Government if it were now to decide that it needed more time to consider how best to reorganise urban local government. The complexities demand a great deal more work to ensure that what follows is not less democratic and less accountable."

FINANCIAL TIMES LEADER, 8TH MARCH 1984

"The bill will go through, that is unless the Lords show more gumption than they did with the rate-capping legislation. In this case they should do so, for whereas the rate-capping bill has dubious constitutional implications this one is downright improper and would be thrown out by a Supreme Court had we had one."

PETER JENKINS, THE GUARDIAN, 16TH MAY 1984

"The Government's stand over rate-capping and the abolition of the big metropolitan councils has cost Mrs Thatcher's party a large number of votes. The message to Mrs Thatcher is: Stop! Look! And listen! There is a lot of discontent in this country, more than you seem to have realised!"

DAILY STAR LEADER, 4TH MAY 1984

Somewhat prematurely, it considers itself to be home and dry, with the Lords only needed to rubber stamp the decision it has already made.

DEFENDING THE INDEFENSIBLE.

No wonder the Government is against talking things through.

The little it has said on the subject has done nothing but damage its own case.

For example, Environment Secretary Patrick Jenkin claimed his plans would streamline local government and improve efficiency. Yet there's overwhelming evidence that abolition would be a costly and senseless move. Creating a vastly more complex and less accountable tier of local government.

He speculated that savings of up to £120m a year could be made. But a team of top financial analysts showed that abolition could actually cost hard pressed ratepayers another £61m a year; and require an extra 1400 town hall staff.

In truth, the Government's plans are inadequate and ill-conceived, barely concealing its true motive. Abolition for reasons of political expediency.

However, what's particularly ironic about the whole affair is that we, the metropolitan county councils, have never claimed the present system of local government to be perfect or above change. We are more than willing to participate in any full and independent review of local government structure and finance; a review which the Government is curiously determined to avoid at any cost.

As the Bill is debated in the Upper House, we hope their Lordships will see this ignoble plan in its true colours.

And, as guardians of the Constitution, (the Commons having abdicated the responsibility), do the only proper thing.

Especially given Mr Jenkin's frank admission to leaders of the threatened councils only last week. When, challenged to point out a single error or misleading statement in the very substantial case we have presented publicly, he could not do so.

"It is incredible that a Conservative Government should be acting in this thoroughly un-Tory manner: unbelievable that its backbenchers are more concerned in putting party before country that they will not heed the voice of reason from so many of their own eminent statesmen."

LOCAL GOVERNMENT REVIEW LEADER, 19TH MAY 1984

"It is a bad Bill, and it is paving the way for a worse Bill. It immediately lays the Conservative party open to the charge of the greatest gerrymandering in the last 150 years of British history."

That is what we, as a party, are being exposed to."

MRS E HEATH, 11TH APRIL 1984

ISSUED BY THE METROPOLITAN COUNTY COUNCILS OF GREATER MANCHESTER, MERSEYSIDE, SOUTH YORKSHIRE, TYNE AND WEAR, WEST MIDLANDS AND WEST YORKSHIRE. FOR FURTHER INFORMATION, WRITE TO THE CHIEF EXECUTIVE, GMC, COUNTY HALL, MANCHESTER M60 3HR.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Commercial paper market

How to borrow in the U.S.—for less

BY PHILIP STEPHENS

OPENING up the books to a team of hard-nosed Americans who want to delve into company's closest-kept financial secrets is a prospect calculated to send shudders through most boardrooms. But it is an ordeal braved by a growing number of British companies willing to endure the rigours of the U.S. credit-rating system to secure access to New York's huge commercial paper market.

between 50 and 75 basis points below that charged on normal bank funding linked to the London Interbank Offered Rate (Libor). Forward foreign exchange transactions can also make it cheaper to raise sterling finance through the U.S. commercial paper market despite the generally higher level of dollar interest rates.

were all covered exhaustively in the grilling given to Cadbury Schweppes. The hard work is not confined to satisfying the agencies. Separate deals have to be negotiated with one of the big New York investment houses to act as a dealer and with an issuing and paying bank. Legal and tax problems have also to be ironed out.



"Investigators leave no stone unturned in their analysis of a company's financial position"

BRITISH ISSUERS AND HOW THEY RATE

Table with columns: Industrial companies, Standard and Poor's Moody's, Industrial companies, Standard and Poor's Moody's. Lists companies like RAT Industries, Beecham, BICC, Boots, British Petroleum, etc.

The ratings for British companies in this table are on the U.S. commercial paper market at competitive rates. They need one of the top two ratings issued by Standard and Poor's A-1+, or A-1 and the top rating given by Moody's P-1.

Training

Self-development for Texaco UK

BY ARNOLD KRANSORFF

TEXACO UK's training department is conducting an unusual experiment in an effort to develop the skills of its staff. The idea is to complement its conventional employee development programmes, which use in-house and external courses and conferences, by encouraging individuals to do some of their training for themselves by using the company's own library. This has been supplemented with other training aids.

made on the availability of individual items. If an item is already on loan, the computer offers alternatives which are suggested to the employee. If the item has a waiting list of more than one person, the company buys another copy. The computer also generates a weekly list of overdue items, from which reminders are issued.

Contracts and Tenders

REPUBLIC ALGERIENNE DEMOCRATIQUE ET POPULAIRE. MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHEMIQUES. ENTREPRISE NATIONALE SONATRACH. NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS.

BOTSWANA POWER CORPORATION INVITATION TO TENDER. GABORONE-LOBATSE 132/11 KV PROJECT. The Botswana Power Corporation invites tenders for the supply, delivery, erection and commissioning of 132 and 11 kv switchgear, overhead transmission line and power transformers as follows:

Company Notices. CREDIT D'EQUIPEMENT DES PETITES ET MOYENNES ENTREPRISES. Bond issue of U.S.\$ 250 million. Floating Rate 1982/92.

FUTURES. It is proposed to publish a Survey on the above subject on: Monday June 25th. Coverage of the markets will include L.I.F.F.E., Agricultural Futures and the International Petroleum Exchange.

FUGIT First Union General Investment Trust Limited. INTERIM REPORT for the six months ending 30 June 1984. Net income after taxation: R17 253 000.

INVITATION FOR PREQUALIFICATION ISLAMIC REPUBLIC OF IRAN INDUSTRIAL DEVELOPMENT AND RENOVATION ORGANISATION (IDRO) PERSIAN GULF SHIPYARD PROJECT. On behalf of the above-mentioned organisation, interested civil engineering contractors are invited to prequalify for the civil engineering works comprising about 50,000m² of workshops and 40,000m² of architectural buildings as well as related sewage systems, roads, crane tracks, paved areas, etc., and soil improvement in connection with these works.

CONTRACTS AND TENDERS ADVERTISING APPEARS EVERY MONDAY. The rate is £33.00 per single column centi-metre. CLASSIFIED ADVERTISEMENT RATES. Per line Minimum 3 lines. Commercial and Industrial Property 9.50.

DECLARATION OF INTERIM DIVIDEND in respect of the year ending 31 December 1984. Notice is hereby given that interim dividend No. 47 of 7.0 cents (1983; 6.5 cents) per share has been declared in respect of the year ending 31 December 1984 payable to shareholders registered in the books of the company at the close of business on Friday, 22 June 1984.

The Leader.



Tosca/Covent Garden

Rodney Milnes

With the fall-out from Aida barely settling, last week cannot have been the easiest time for an Italian soprano to make her Covent Garden debut...



Giacomo Aragall

Leslie Howard/Wigmore Hall

David Murray

The pianist Leslie Howard offered a curious programme on Friday, a dense half concert comprising three very substantial works, and a second set consisting of encore-pieces...

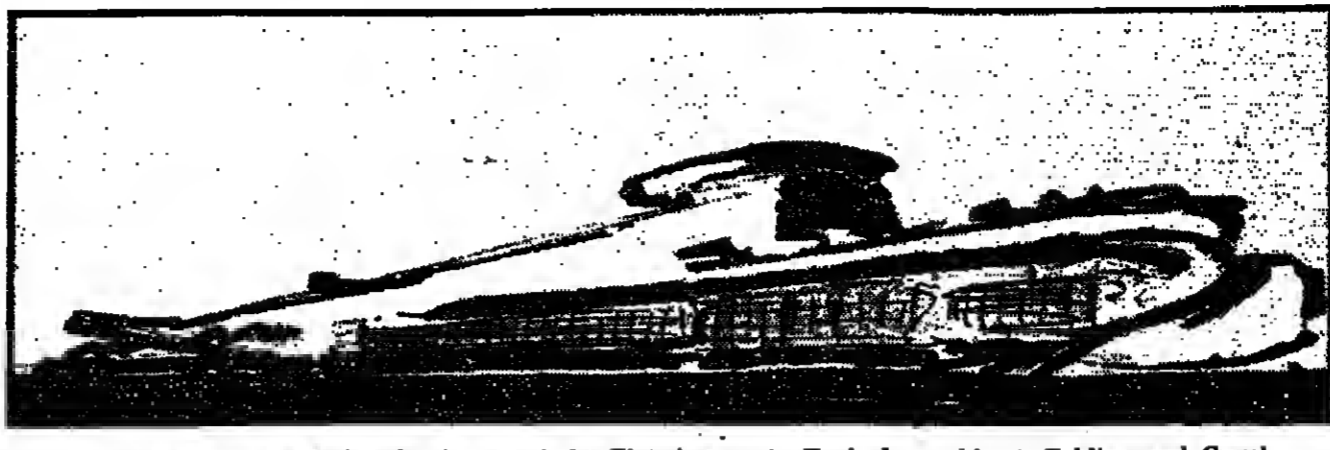
European jazz competition

The third annual IJF European Jazz Competition will take place this year at Leverkusen, West Germany, from October 10 to 13.

French Without Tears/Derby Playhouse

Michael Coveney

French Without Tears, Terence Rattigan's first success in 1936, has a reputation for both and finally, but as Christopher Honer's interesting revival at the Derby Playhouse reveals, there is also something authentically raw and harsh about this look at a group of bright young things thrown together in an informal language school on the south west coast of France.



A visionary sketch for the future of the Fiat factory in Turin by architects Fehling and Gogel

Architecture

Colin Amery

The fate of Fiat

Way back in 1923 the French architect Le Corbusier wrote that there were two related arts, Architecture and Aesthetic Engineering. At that time he felt architecture was in decline and he hoped that the new spirit just emerging would unite the two arts and create the perfect architecture...

Van Nelle factory in Rotterdam, and in the United Kingdom we have already demolished the Fiat factory at Battersea. The enormous difficulty of the redundant power station at Battersea...

Stirling also fastens on to the idea of making the Lingotto factory into a museum but at the same time it becomes a part ruin and part park. A new racing circuit is built on the ground and giant terraces in the Lingotto and turn the Lingotto. Huge white marble sphinxes in the form of cars flank these terraces.

Rare delights of the York Festival

The quadrennial York Festival opened on Friday night with military bands in the English and Thy Robertson's new production of the Mystery Plays in the Museum Gardens. Conditions could not have been kinder. The sun shone for most of the day and Friday, the city, as usual, looked an absolute picture and you began to reflect—rather I did—on just how pleasurable are our summer festivals in our great city.

comment with relish upon, the narrative. Hugh Durrant has designed a box recalling the Memory Theatre, whose doors and windows exactly correspond to the play's chief themes of privacy and invasion both social and domestic.

It is in the pretentious bastinado of Latin tag-wielding lovers, or in Truett's astonishingly simple in disguise of woman and how, finally, to respect them, or in Morose's futile public confession of impotence. My favourite line, though, comes when Sir Jack Daw is being manhandled in the mock duel sequence: "What's six kicks to a man who's read Seneca?" Quite.

It is a passing comment upon the efeboid opportunities for new classical choreography in this country, as on the continuing predictability of public taste with the masses of the classic dance, albeit stagings like this, commercial success like this, deny the company what was once the chief reward of a small ballet ensemble: creative energy and the shaping of new talents. This function, indeed, seems to have passed to our contemporary troupes, and NBT assumes the playing-safe role of purveyor of the tried and true to people who want nothing other than the theatre.

Owen Wingrave/Aldeburgh

Max Loppert

The opera presentation of the 57th Aldeburgh Festival, is Owen Wingrave by the Britten-Pears School. Britten's penultimate stage creation, a very uneven but very interesting piece of work, desperately needs the festive performance, the careful scrutinising of the hasty (but such a term implies—to rescue it from the qualified opinions meted out after first showings on television and then at Covent Garden, (The 1980 Royal College production in a small theatre is the nearest thing to the necessary reappraisal).

Wingrave power to crush opposition; Owen's stand seemed entirely fruitless. Lighting is rudimentary, attention to detail inconsistent (the words of the Narrator's crucial Act 2 opening were incomprehensible). The first of two student casts, secure but unremarkable, is marked by a single outstanding member, the young fine-grained distinctive warm baritone James Meek in the title role; in various degrees the rest lacked conviction.

The Clandestine Marriage/Albery

B. A. Young

In his production for his own company, Anthony Quayle omits the prologue that Garrick and Colman wrote for their play, and we must pick up their theme, "to change rich blood for more substantial gold." From what we see, No problem there. Roy Kinnear's Mr Sterling is as common as he is richly smart, while neither Mr Quayle's Lord Ogley nor John Quentin's Sir John Melvil could be imagined with enough brains to eat a living. Both of them are wealthy enough to do as they like, and both believe that Fanny, the younger Stirling girl, will be happy to marry them, although Sir John is already engaged to her elder sister and Ogley is on the verge of senile dementia. What neither of them knows, but we are told at the very start, is that Fanny is secretly married to her father's valet.

rather than beautiful, her emotions reserved decency for her clandestine husband, Belinda Lang as her sister is in her flashy way as common as her father, thought she has conquered the worst excesses of his account. Mr Quayle begins in the deepest melancholy, his mouth curled down at the corners like a cod's, his arthritis hindering his prances as if he had left the handbrake on. But his good nature bubbles out at last, and he is the one who sponsors the futures of the young lovers. The young men's parts are not very exciting. Andrew Hawkins makes Lovewell pleasant enough, but nothing more, while John Quentin steers Sir John through his gentlemanly misdeeds with no feeling that he is a fraud of theirs; indeed the playing throughout is fast and lively. Some of the shorter parts are attractively done. Norman Mitchell and Reggie Oliver are hilarious as the two lawyers discussing their cases over breakfast, and Joyce Redman as Sterling's widowed sister Mrs Heidelberg is the apotheosis of rough dignity.

Sleeping Beauty/Northampton

Clement Crisp

It is a passing comment upon the efeboid opportunities for new classical choreography in this country, as on the continuing predictability of public taste with the masses of the classic dance, albeit stagings like this, commercial success like this, deny the company what was once the chief reward of a small ballet ensemble: creative energy and the shaping of new talents. This function, indeed, seems to have passed to our contemporary troupes, and NBT assumes the playing-safe role of purveyor of the tried and true to people who want nothing other than the theatre.

That said, the staging must be saluted for its respectful way with Fetipa's form—even the excision of the tumbling scene is well managed—if not for its decoration, which I found too mauve and waxy in components, too Disneyified. The level of corps de ballet dancing was sound, though that of meek solo and mimetic roles was less so.

The Crucible/Bloomsbury Theatre

Andrew Clements

Robert Ward is an American composer and teacher, currently on the staff of the North Carolina School of Arts. He was born in 1917, studied with Aaron Copland and at the Eastman and Juilliard Schools. In 1962 he won the Pulitzer Prize and the New York Critics Circle Award for his opera The Crucible, with a libretto by Bernard Stambler adapted from Arthur Miller's stage play about the Salem witch trials in 17th Century Massachusetts. The opera is currently receiving its first British run at the College Theatre in a staging by Abbey Opera; there are further performances tonight and on Saturday.

romanticism. The closest comparison would probably be with Samuel Barber, though without the latter's lushness and an unflinching ear for a good tune. Ward's stylistic roller-coaster is sometimes disconcerting: the third act begins with a Puccini-like duet between John Proctor and Abigail Williams, and suddenly lapses into folksy Americana; elsewhere the same home-grown melodies might butt against neoclassical angularity. The momentum of the four acts leaves little room for orchestral development, as busy accompaniments constantly underpin highly wrought vocal lines. Perhaps the lack of any emotional breathing space is the opera's main shortcoming; the noisy orchestral effects do not differentiate the climaxes with sufficient discrimination. Anthony Shelley's conducting ensured that the pace did not slacken unwittingly; Paul Herron's production is unfussy and dramatically effective. The singing is variable: Alexander Gould as the baritone John Proctor has the meeziest role and takes it strongly, while Jacqueline Edwards as his wife Elizabeth makes much of the opera's single, most beautifully sustained aria. There is a richly sounding Rebecca from Maureen LeFerre and an implacable Judge Danforth from Warwick Dyer.

Arts Guide

WEST GERMANY Hamburg Opera: A Gala concert with Montserrat Caballe and the Opera Orchestra conducted by Julius Rudel. Rostropovich, Spontini, Cherubini, Wolf-Ferrari, Bellini and Verdi (Thu).

June 14-16 London Sinfonietta and BBC Singers conducted by Diego Masone with the London Sinfonietta, BBC Singers, and Gerardo Funtunay's Negro (first performance), Boulez and György Kurtag. Queen Elizabeth Hall (Tue), (9233181). Philharmonia Orchestra conducted by Alan Francis in aid of the British Olympic Appeal in the presence of Princess Anne, Egar, Britten, Holst and Ireland. Barbican Hall (Wed), (6388991).

The Pack.



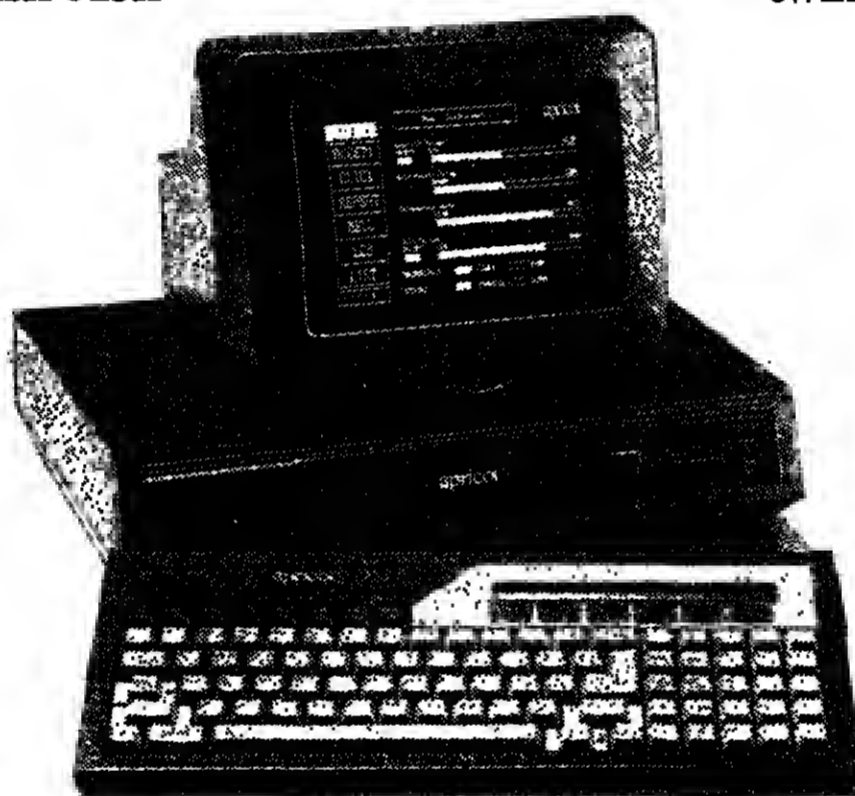
£1,595
Apricot
single disk 315k



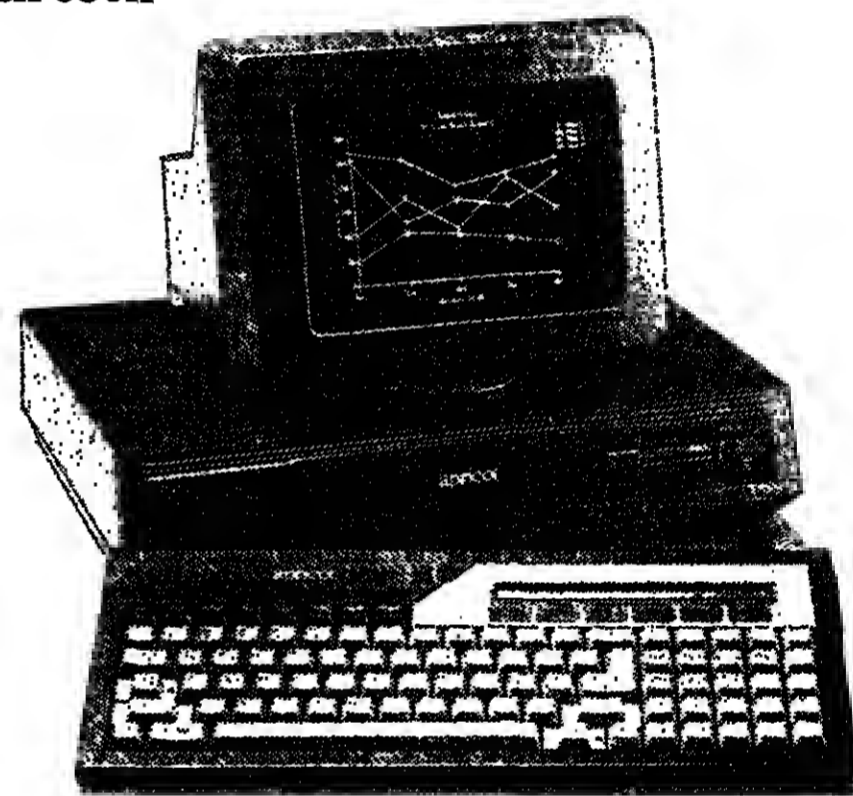
£1,795
Apricot
twin disk 630k



£1,995
Apricot
duo disk 1440k



£2,695
Apricot xi
Winchester 5Mbyte



£2,995
Apricot xi
Winchester 10Mbyte

Our first Apricot became something of a star. It shot to fame as one of the best selling 16-bit business micros in this country and now it sells in fifteen others.

Most recently it picked up three major trophies against the best in the world (or second best, as it turned out) including the coveted Sunday Times Award for the Microcomputing Innovation of the Year shown on the previous page.

Why has the Apricot received such wide acclaim?

Firstly, it provides a new level of sophistication at a price that is well beneath its major competitors.

Secondly, it does everything that most other executive desktop computers can do—and one thing they can't. Unlike other sophisticated personal computers, you can clip Apricot's keyboard underneath the unit and carry it to and from the office without doing yourself or the machine any damage.

But laurels aren't for resting on, so now we've extended the range to 5 models to ensure that every conceivable business need is matched.

The leader of the family is the black Apricot xi with 10-Mbyte Winchester disk. This massive storage enables you to integrate several software

packages or, to put it another way, you could record a sale, produce an invoice, adjust your stock record and update your profit forecast in a single operation.

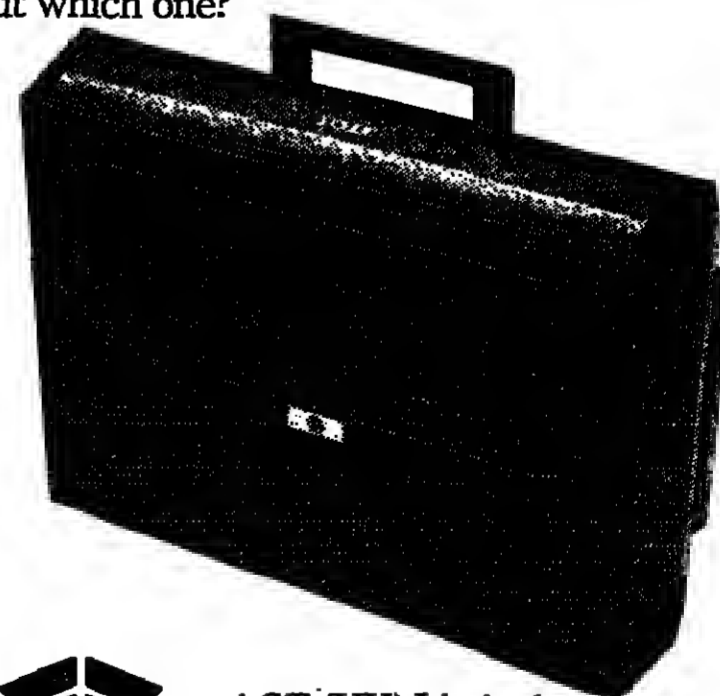
The most recent innovation is the introduction of a duo disk Apricot which gives you a full 1.44 Mbytes of storage on 3½" disks (considerably more than the majority of older 5¼" disk based micros) making it the ideal tool for all word processing and spreadsheet applications.

But it's not just the range of storage capacities that make Apricot unique. Either 9" or 12" monitors are available, each with resolutions as sharp as a razor. The addition of ACT's fully approved integral modem will give you immediate access to electronic mail and public databases.

Whatever your business is, ACT has the software that'll help you run it. Nobody has a bigger published library of British business micro software. And, as you'd expect, all the big software names: SuperCalc 3, Open Access, MicroSoft Word, etc. But the practical side of our computer isn't everything.

As the Times said on April 10th 1984, "The appearance of a computer is more important than I had realised. If a machine is going to occupy an important position, it ought to fit in visually.

There'll be an Apricot in the V & A in 30 years' time." Undoubtedly. But which one?



ACT (UK) Limited,
Freepost,
Birmingham B63 1BR
or Freefone Apricot
via Operator

All prices quoted are for a complete system including 9" monitor and over £750 of software, but excluding VAT.

THE LONDON ECONOMIC SUMMIT



Summit leaders (left to right) Herr Kohl (West Germany), Sig Caxci (Italy), Mr Nakasone (Japan), Mr Reagan (U.S.), Mrs Thatcher (UK), M Mitterrand (France), Mr Trudeau (Canada), and M Thorn (EEC)

President Ronald Reagan came to London last week looking for an "upbeat" economic summit. Mr Yasuhiro Nakasone, the Japanese Prime Minister, said he hoped it would be "bright". In a manner of speaking it was both but anyone unwisely seeking excitement in the environs of Lancaster House at the weekend would have gone to the wrong place.

The summit has often received a shot of adrenalin from an international emergency—usually in the Middle East—or a display of Gallic idiosyncrasy from France but despite the military clash between Saudi Arabia and Iraq on Tuesday, the Gulf remained quiet—and President Francois Mitterrand was positively docile.

There was, it is true, some "spirited discussion," as Mr Donald Regan, the U.S. Treasury Secretary, put it, of the budget deficit and high interest rates. M Delors confirmed that the issue had provoked the most agitated debate of the whole two-and-a-half days. High interest rates, the final communiqué said, were among the factors that could "put recovery at risk".

ST AUGUSTINE'S famous prayer needs only slight rewording to sum up the 17 clauses of the London summit's economic declaration—O Lord give us virtue, but not yet.

Upbeat, but hardly spectacular

By Reginald Dale

These lapses, however, were less important in American eyes than the overall tone of the summit—most notably in its general approval of the free market anti-inflationary policies that Washington sees as the hallmark of Reaganomics.

The Americans also claim to have had some success in their campaign to convince the Europeans of the need to reduce the role of the public sector in their economies and tackle "rigidities" such as restrictive labour practices and management inflexibility.

approving reference to the controversial Common Fund for international commodity price stabilisation from the final communiqué.

The final declaration shows more than a passing concern for the linkages between debt problems and all other aspects of the world economy, particularly the prospects for world trade and interest rates.

COHERENT STRATEGY FOR DEBTOR NATIONS

doctrinal differences, particularly those between France and her more conservative allies.

As M Gaston Thorn, president of the European Commission said: "We all share the same view that there is a real problem of debt and that contrary to what some people thought last year, the danger is not over and that something has to be done."

of commercial and official loans.

What remains, particularly on trade protectionism, is the question whether the good resolutions of the summit leaders can be translated into action.

Lombard

Policies needed for 1985-86 slump

BY SAMUEL BRITTON

There is nothing sensationalist in predicting after the conclusion of the London summit a new slump beginning probably next year. The path of development of Western capitalism has never been smooth, but has proceeded in a series of upturns and downturns, with the gains made in the former exceeding the losses of the latter.

Council on Foreign Relations report spoil the case for such stimulation by calling for it at present in the middle of an upturn, when the main reasons for high unemployment are as M Raymond Barre argues in the same report, predominantly "structural" (often a euphemism for excessive union-imposed wage and other costs).

Change on the Exchange

From Mr S. Evans Sir,—As the last unsuccessful candidate to stand for election to the Stock Exchange Council, I find the prospect of a contested election of interest but I do believe that the parties wishing to oppose the re-election of council members should consider most carefully their options, and the result of any disruption in the process of discussion currently being pursued on the Stock Exchange green paper.

There are quite clearly reasons for disagreeing with the personal interests of council members standing for re-election, but it would in my opinion, be disastrous if the effort and good work of council members, particularly our chairman, is now to be disrupted in such a way that we were to lose the benefit of their extraordinary efforts to recreate a Stock Exchange for the 20th century.

Let the new formations and shareholdings in the market be created, but anybody who has the slightest understanding of the stock market structure must be aware that the purchasing of a "person" business is the most dangerous policy that any outsider can pursue.

Letters to the Editor

City at the present time. So let us not turn away the limelight from the more stock market has built up during a period where the Chancellor has provided us with a taxation system favourable to Stock Exchange investment, allowing for new companies to come forward on to the USM and creating a market place which is now to be copied both in Japan and in Johannesburg.

Postal ballots. It is clear that the work place ballots produce higher turnouts in key union elections than do tamper-proof postal ballots.

Employment statistics. In his report "Unemployment climbs to record" (June 2) Philip Stephens says, "Government officials have not identified any clear reason for the apparent paradox between rising employment and higher unemployment."

cord more votes cast than Western ones. The question is, which system gives the more representative result?

Concessions to shareholders. Sir,—I have just received a copy of European Ferries scheme of arrangement. I find it a most unconvincing document.

Accounting for leases. From the Director, Institute of Chartered Accountants in Ireland. Sir,—I refer to your report (June 1) on the deferral of the accounting standard on leasing, and in particular on the views of this institute on the proposed standard.

fall unless the members concerned receive a substantial premium over their present rights. European Ferries is the "perk" shareholder. It can win at the meetings only through apathy on a large scale, obtaining the 75 per cent by buying shares from a very low poll.

Concessions to shareholders. From Mr E. Whiting Sir,—I have just received a copy of European Ferries scheme of arrangement. I find it a most unconvincing document.

Accounting for leases. From the Director, Institute of Chartered Accountants in Ireland. Sir,—I refer to your report (June 1) on the deferral of the accounting standard on leasing, and in particular on the views of this institute on the proposed standard.

fall unless the members concerned receive a substantial premium over their present rights. European Ferries is the "perk" shareholder. It can win at the meetings only through apathy on a large scale, obtaining the 75 per cent by buying shares from a very low poll.

Concessions to shareholders. From Mr E. Whiting Sir,—I have just received a copy of European Ferries scheme of arrangement. I find it a most unconvincing document.

Accounting for leases. From the Director, Institute of Chartered Accountants in Ireland. Sir,—I refer to your report (June 1) on the deferral of the accounting standard on leasing, and in particular on the views of this institute on the proposed standard.

Accounting for leases. From the Director, Institute of Chartered Accountants in Ireland. Sir,—I refer to your report (June 1) on the deferral of the accounting standard on leasing, and in particular on the views of this institute on the proposed standard.

The ghost in the machine



This engine's oil has just died. It has broken down chemically and coked the engine beyond repair. In a high performance engine, piston rings alone can reach 260°C on a motorway at speed. And conventional mineral oils find it difficult to cope with such temperatures or treatment for long.

For more information simply write to Room 432, Mobil Oil Company Limited, Mobil House, 54/60 Victoria Street, London SW1E 6QB. Or telephone 01-828 9777 ext: 2278



Closing prices June 8

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of stock prices with columns for Stock, High, Low, Open, Close, and various price points.

Continued on Page 21

Handwritten signature: Jeff Meade

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices June 8

Table of American Stock Exchange Composite Closing Prices for June 8, 1984. Columns include 12 Month High/Low, Stock Name, Dividend Yield, P/E Ratio, and Price. Includes sub-sections for C-C-C, F-F-F, G-G-G, and L-L-L.

Continued on Page 22

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of New York Stock Exchange Composite Closing Prices for June 8, 1984. Columns include 12 Month High/Low, Stock Name, Dividend Yield, P/E Ratio, and Price. Includes sub-sections for V-V-V, W-W-W, X-X-X, and Y-Y-Y.

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest declaration.

World value of the dollar every Friday in the FINANCIAL TIMES

WORLD STOCK MARKETS

OVER-THE-COUNTER

Table of over-the-counter stock prices including Nasdaq national market closing prices for June 8. Columns include stock symbols, sales volume, and price changes.

Continued on Page 23

AMERICAN STOCK EXCHANGE CLOSING PRICES

Table of American stock exchange closing prices for June 8, listing various stocks and their closing prices.

WORLD VALUE OF THE POUND every Tuesday in the Financial Times

Table of world stock markets including Canada, Denmark, Norway, Japan, Netherlands, Sweden, Germany, Spain, Switzerland, Australia, Austria, Belgium/Luxembourg, Italy, Hong Kong, and Singapore. Each section lists local market indices and major stock prices.

ENERGY REVIEW every Wednesday in the Financial Times

WORLD STOCK MARKETS

OVER-THE-COUNTER

Table with columns: Stock, Sales (thous), High, Low, Last, Change. Lists various over-the-counter stocks and their price movements.

Table with columns: Stock, Sales (thous), High, Low, Last, Change. Lists more over-the-counter stocks and their price movements.

Table with columns: Bank, Rate. Lists various banks and their lending rates.

NEW YORK

Table with columns: Index, June 8, June 7, June 6, June 5, June 4, High, Low. Includes DOW JONES, Industrial, and Bond indices.

Table with columns: Index, June 8, June 7, June 6, June 5, June 4, High, Low. Includes Standard and Poors, Industrial, and Bond indices.

Table with columns: Index, June 8, June 7, June 6, June 5, June 4, High, Low. Includes N.Y.S.E. All Common, Industrial, and Bond indices.

Table with columns: Index, June 8, June 7, June 6, June 5, June 4, High, Low. Includes Toronto, Montreal, and New York Active Stocks.

Table with columns: Stock, Sales (thous), High, Low, Last, Change. Lists various New York stock market transactions.

Indices

Table with columns: Index, June 8, June 7, June 6, June 5, June 4, High, Low. Includes Australia, Austria, Belgium, Denmark, France, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, and World.

Table with columns: Index, June 8, June 7, June 6, June 5, June 4, High, Low. Includes various regional and international indices.

Table with columns: Index, June 8, June 7, June 6, June 5, June 4, High, Low. Includes various regional and international indices.

Table with columns: Index, June 8, June 7, June 6, June 5, June 4, High, Low. Includes various regional and international indices.

Table with columns: Stock, Sales (thous), High, Low, Last, Change. Lists various international stock market transactions.

Bryant construction logo and text: Quality construction and refurbishment. Midlands & Thames Valley. 021-704 5111

French Kier Construction wins £36m. FRENCH KIER CONSTRUCTION, a member of the French Kier Group, have been awarded contracts to the value of £36.3m.

BUILDING CONTRACTS £36m road works for Fairclough. FAIRCLOUGH CIVIL ENGINEERING has been awarded two motorway projects by the Department of Transport.

£12m batch for Espley-Tyas Group. Of the £5.31m contracts received by Leeds-based ESLEY-TYAS CONSTRUCTION, the largest single order, valued at £3.5m, is for a retail and office development at Gateshead.

£8m orders for Miller Buckley. New bank buildings and warden-assisted flats for the elderly are among contracts worth over £8m awarded to the MILLER BUCKLEY GROUP.

This is a translation of an advertisement which, together with this translation, has been delivered to the Registrar of Companies in London for registration.

TOTAL Compagnie Française des Pétroles Société Anonyme. Incorporated in France with Limited Liability and registered in Paris No. B542-051-150. NOTICE TO SHAREHOLDERS

INFORMATION RELATING TO THE ISSUE. By virtue of the authorisation to increase the capital by a maximum nominal sum of F 2,500,000,000, conferred by the Extraordinary General Meeting of shareholders held on 26 June 1980...

Issue Price. The new shares will be issued at a price of F 240 per share, F 50 of which represents the nominal value of the share and F 190 represents the share premium. Rights attaching to the new shares. These new shares, which will be subject to all the provisions of the Statutes of the Company...

As an irrevocable right: 1 new 'B' share for 8 old shares ('A' or 'B' shares) held, without taking account of fractions. In order to effect this operation, at this ratio, a shareholder has renounced the subscription right attached to one share.

As a reducible right: The number of 'B' shares that they shall indicate they wish to subscribe for in excess of those that they subscribe as an irrevocable right. The shares available for subscription as a reducible right will be those of the 2,217,710 new 'B' shares which have not been taken up as an irrevocable right.

Establishing the right to subscribe. The right to subscribe must be established either by the deposit of registered certificates for stamping to indicate that the right to subscribe has been exercised or by the delivery of coupons giving the right to subscribe which have been released by the registered shareholders to whom such coupons were delivered to permit them to sell their rights.

Form of shares. The new 'A' shares must be registered shares. The new 'B' shares held either by the French State or by public organisation or authority must be registered shares. The new 'B' shares, other than those referred to above, may be issued in either registered or bearer form, as the subscribers may choose.

Listing. Application will be made for the 2,217,710 new 'B' shares subscribed by shareholders other than the French State to be officially listed on the Paris Stock Exchange once the subscription period has closed. Application will also be made for these shares to be listed on the London Stock Exchange.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst, British Sp of Unit Trsts Ltd, and others, including their names, managers, and details.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trusts with columns for Name, Manager, and other details. Includes trusts like British Sp of Unit Trsts Ltd, Abbey Unit Trst, and many others.

Continuation of the unit trust table, listing trusts like Temple Bar Unit Trust, British Sp of Unit Trsts Ltd, and others.

Insurances - continued

Table listing insurance companies and their policies, including Athlone Life Assurance Co Ltd, British Sp of Unit Trsts Ltd, and others.

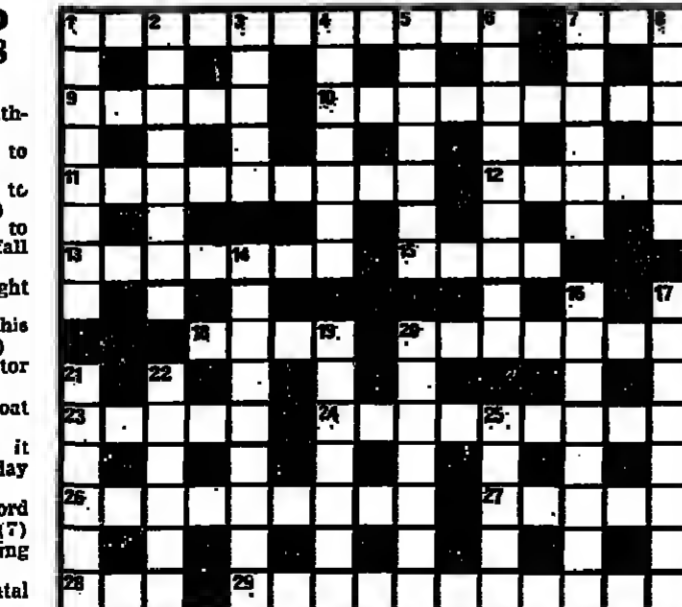
Table listing insurance companies and their policies, including British Sp of Unit Trsts Ltd, Abbey Unit Trst, and others.

Table listing insurance companies and their policies, including British Sp of Unit Trsts Ltd, Abbey Unit Trst, and others.

Table listing insurance companies and their policies, including British Sp of Unit Trsts Ltd, Abbey Unit Trst, and others.

F.T. CROSSWORD PUZZLE No. 5438

Crossword puzzle clues: 1 Birds go to cliff in Strathclyde region (11), 7 Mark over the eye so to speak (3), 9 Father goes round vessel to fetch waterproof coat (5), etc.



Answers to the crossword puzzle: 1 Strathclyde, 7 Eyebrow, 9 Round, 10 Coat, 11 Snowfall, 12 Winking, 13 Competitor, 14 Hoat, 15 Winking, 16 Deplored, 17 Competitor, 18 Hoat, 19 Smoothly, 20 Lord, 21 Stowell's, 22 Lector, 23 Postage, 24 Nominate, 25 Notice, 26 Party, 27 Chap, 28 Plaintiff, 29 Captive, 30 Hoat, 31 Salesman, 32 Remorse, 33 Truth, 34 Antelope, 35 Settlements.

Table listing insurance companies and their policies, including Athlone Life Assurance Co Ltd, British Sp of Unit Trsts Ltd, and others.

Table listing insurance companies and their policies, including Athlone Life Assurance Co Ltd, British Sp of Unit Trsts Ltd, and others.

INSURANCE & OVERSEAS MANAGED FUNDS

Table listing various insurance and managed funds, including details on company names, fund types, and performance metrics.

Table listing various insurance and managed funds, including details on company names, fund types, and performance metrics.

Table listing various insurance and managed funds, including details on company names, fund types, and performance metrics.

Table listing various insurance and managed funds, including details on company names, fund types, and performance metrics.

Notes and additional information regarding the fund listings, including contact details and legal disclaimers.

FOR QUALITY DEVELOPMENTS IN THE SOUTH AND MIDLANDS Bryant Properties 021-704-5111

BRITISH FUNDS

Table of British Funds with columns for Name, Stock Price, and % Change.

Five to Fifteen Years

Table of funds categorized as Five to Fifteen Years.

Over Fifteen Years

Table of funds categorized as Over Fifteen Years.

Undated

Table of undated funds.

Index-Linked

Table of index-linked funds.

CORPORATION LOANS

Table of Corporation Loans.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans.

LOANS

Table of Loans.

Public Bond and Financial

Table of Public Bond and Financial.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails.

FT LONDON SHARE INFORMATION SERVICE

AMERICANS

Table of American stocks.

BEERS, WINES—Cont.

Table of Beers and Wines.

DRAPERY & STORES—Cont.

Table of Drapery and Stores.

ENGINEERING—Continued

Table of Engineering stocks.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads.

ELECTRICALS

Table of Electricals.

INDUSTRIALS (Miscel.)

Table of Industrial stocks (Miscellaneous).

CANADIANS

Table of Canadian stocks.

BANKS, HP & LEASING

Table of Banks, HP & Leasing.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics.

FOOD, GROCERIES, ETC

Table of Food, Groceries, etc.

DRAPERY AND STORES

Table of Drapery and Stores.

HIRE PURCHASE, LEASING, ETC

Table of Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits.

ENGINEERING

Table of Engineering stocks.

HOTELS AND CATERERS

Table of Hotels and Caterers.

HOTELS AND CATERERS

Table of Hotels and Caterers.

HOTELS AND CATERERS

Table of Hotels and Caterers.

HOTELS AND CATERERS

Table of Hotels and Caterers.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, last price, and percentage change.

LEISURE—Continued

Table of leisure stocks including companies like British Airways, British Telecom, and British Gas, with columns for stock price, last price, and percentage change.

PROPERTY—Continued

Table of property stocks including companies like British Land, Granada, and News International, with columns for stock price, last price, and percentage change.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Venture, British Venture Income, and British Venture Growth, with columns for stock price, last price, and percentage change.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, last price, and percentage change.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Airways, British Telecom, and British Gas, with columns for stock price, last price, and percentage change.

DAIICHI EUROPE LIMITED For EQUITIES & BONDS. Durran House, 8-13, Chiswell Street, London EC1Y 4TG. Telephone: 01 588 4872. Telex: 883336 ICHLD.

MINES—Continued

Table of mine stocks including companies like Anglo American, De Beers, and Anglo Platinum, with columns for stock price, last price, and percentage change.

INSURANCES

Table of insurance stocks including companies like British American Insurance, British Insurance, and British Insurance, with columns for stock price, last price, and percentage change.

COMMERCIAL VEHICLES

Table of commercial vehicle stocks including companies like British Leyland, British Leyland, and British Leyland, with columns for stock price, last price, and percentage change.

SHIPPING

Table of shipping stocks including companies like British Shipways, British Shipways, and British Shipways, with columns for stock price, last price, and percentage change.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Shoe, British Shoe, and British Shoe, with columns for stock price, last price, and percentage change.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American, De Beers, and Anglo Platinum, with columns for stock price, last price, and percentage change.

TEXTILES

Table of textile stocks including companies like British Textiles, British Textiles, and British Textiles, with columns for stock price, last price, and percentage change.

MISCELLANEOUS

Table of miscellaneous stocks including companies like British Airways, British Telecom, and British Gas, with columns for stock price, last price, and percentage change.

LEISURE

Table of leisure stocks including companies like British Airways, British Telecom, and British Gas, with columns for stock price, last price, and percentage change.

PROPERTY

Table of property stocks including companies like British Land, Granada, and News International, with columns for stock price, last price, and percentage change.

INVESTMENT TRUSTS

Table of investment trusts including companies like British Venture, British Venture Income, and British Venture Growth, with columns for stock price, last price, and percentage change.

OIL AND GAS

Table of oil and gas stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, last price, and percentage change.

FINANCE, LAND, ETC

Table of finance, land, and other stocks including companies like British Land, Granada, and News International, with columns for stock price, last price, and percentage change.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like British Overseas, British Overseas, and British Overseas, with columns for stock price, last price, and percentage change.

PLANTATIONS

Table of plantation stocks including companies like British Plantations, British Plantations, and British Plantations, with columns for stock price, last price, and percentage change.

Notes section containing various financial and market-related information, including interest rates and company announcements.

Regional & Irish Stocks section listing various regional and Irish stocks with their respective prices and changes.

Options—3-month call rates section listing various options and call rates.

Central African section listing various Central African stocks.

Recent Issues & Rights section listing recent issues and rights of various companies.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Lack of an alternative

BY COLIN MILLHAM

Interest rates were the major factor influencing the foreign exchange market last week. Fears about third world debt tended to slide into the background after dominating sentiment on Monday, when the exposure of U.S. banks to the threat of default brought interest rates and the dollar down.

THE POUND SPOT AND FORWARD

Table with columns: June 8, Buy/sold, Close, One month, % p.a., Three months, % p.a.

OTHER CURRENCIES

Table with columns: June 8, £, \$, ¥, Note Rates

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: ECU, Currency amounts, % change from ECU, % change adjusted for limit, Divergence

EXCHANGE CROSS RATES

Table with columns: June 8, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: June 8, Overnight, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-Mark, French Franc, Italian Lira, Belgian Franc, Yen, Danish Kroner

MONEY MARKETS

Doubts about future trends

Predicting future trends in interest rates has never been a very exact science, and getting it right on certain important occasions has made one or two economists into such important figures that their words become factors in moving the financial markets.

MONEY RATES

Table with columns: June 9, Frankfurt, Paris, Zurich, Amsterdam, Milan, Brussels, Dublin

LONDON MONEY RATES

Table with columns: June 8, Sterling, Local Authority Deposits, Company Deposits, Market Deposits, Treasury Deposits, Treasury Bills, Eligible Bank Deposits, Eligible Finance Deposits

INTERBANK FIXING

Table with columns: LONDON INTERBANK FIXING, 11.00 am, 3 months U.S. dollars, bid 11 1/2, offer 11 3/4

The fixing rates are the arithmetic means, rounded to the nearest one twentieth, of the bid and offered rates for \$100 quoted by the market to five reference banks at 11 am each working day.

threats to oil supplies from the Gulf. Miners leaders and the National Coal Board will also hold further talks this week, but overall the pound tended to suffer from the prospect of a widening of the dispute to involve other unions, and from the lack of any rise in bank base rates.

FORWARD RATES AGAINST STERLING

Table with columns: Dollar, French Franc, Swiss Franc, Japanese Yen, Spot, 1 month, 3 months, 6 months, 12 months

BANK OF ENGLAND TREASURY BILL TENDER

Table with columns: June 8, June 9, June 1, June 8, June 9, June 1

THE DOLLAR SPOT AND FORWARD

Table with columns: June 8, June 9, One month, % p.a., Three months, % p.a.

CURRENCY MOVEMENTS

Table with columns: June 8, Bank of England, Morgan Stanley, U.S. Dollar, Canadian Dollar, Australian Dollar, Japanese Yen, French Franc, Dutch Guilder, Italian Lira, Swiss Franc, Spanish Ptas, Swedish Krona, Norwegian Kr, Danish Kroner, New Zealand Dollar, South African Rand, Hong Kong Dollar, Singapore Dollar, U.A.E. Dirham

LONDON

Table with columns: Three-Month Eurodollar, 3m rate of 100%

CHICAGO

Table with columns: U.S. Treasury Bonds, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

Table with columns: Sterling, 20-Year 12% Notional Gilt

The Bank of Tokyo, Ltd. 2/F, FAR EAST FINANCE CENTRE, 16 HARCOURT ROAD, Hong Kong

OVERSEAS TRUST BANK LIMITED Floating Rate Bearer Notes 1990

Imperial Life (U.K.) Limited Imperial Life House, London Road, Guildford, Surrey GU1 1TA

In war, in peace you need his help THE ARMY BENEVOLENT FUND

Etam Public Limited Company Offer for Sale by COUNTY BANK LIMITED

Today's Rates 10 1/2% - 11 1/4% 3i Term Deposits

THE UNITED KINGDOM OF DENMARK THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY

Granville & Co. Limited 27/28 Lovat Lane London EC3R 8EB

THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY OF THE KINGDOM OF DENMARK

FINANCIAL TIMES SURVEY

INDIA

With regional and communal problems growing India is approaching its next general election in some turmoil. However, the economy and industry, both of which are being opened up to achieve early self-reliance, are now expanding

By John Elliott
South Asia Correspondent

INDIA—as the troubles in Punjab graphically demonstrate—is in the midst of a series of communal and religious conflicts. The Government's authority has been tested not just by Sikh militants in the Golden Temple in Amritsar but earlier this year by riots in Assam and by Hindu-Muslim disturbances, most recently in Bombay.

To the outsider this appearance of constant and worsening turmoil might seem to be putting at risk the political authority of the Government itself and to be undermining its overall stability.

Yet, it is not really quite like that. Most of India is not touched directly by the troubles. Economic development is going ahead with record domestic oil production and grain harvests. And the first signs have just appeared of a second good monsoon in two consecutive years, offering the prospect of a further boost to the economy.

Industrial growth has also just started picking up, although in areas like the Punjab persistent unrest does have an effect on industrial expansion.

Nor is the authority of the central Government being challenged, even though Mrs Indira Gandhi, the Prime Minister, is facing the toughest crisis of her present term of office with the Punjab. The army take-over was an extreme measure she resisted for months.

The opposition parties are split and fragmented, too, and, despite the communal tensions, it is difficult to imagine Mrs Gandhi being swept from power, barring unforeseen crises, when she holds the elections due by next January.

There is also no significant movement to overthrow the constitution or to break the country up, although Mrs Gandhi is facing demands from the Sikhs and other groups which reflect a growing trend towards regionalism and in favour of more authority being devolved to the country's 22 states.

The India of these various developments is a vast nation of 700m people, covering over 3m sq km with six main religions and vast disparities of regional economic development, as well as extremes of personal wealth and poverty.

Most of the tensions tend to be localised, though there are continuing deep-seated themes such as clashes between members of the majority Hindu religion and the Muslims,



India's economy has picked up, and a good monsoon this year will help agriculture to consolidate its gains. Internal dissension, symbolised most powerfully by disaffection in some sections of the Sikh community, could present a daunting threat, however, to further progress.

IN THIS SURVEY

POLITICS

General trends; profiles of the parties; the Gandhi dynasty; foreign policy and defence Pages 2 and 3

ECONOMY

The background; the seventh five-year plan; foreign banks; foreign trade Pages 4 and 5

INDUSTRY

General trends; foreign investment; aluminium, motor industry; electronics; non-residents; Indians investing in the homeland Pages 6 and 7

ENERGY

Oil; gas; coal; electricity; nuclear power; who's who in the major sectors; alternative sources Pages 8 and 9

AGRICULTURE AND VILLAGES

The green revolution; tea; jute; development policies Pages 10 and 11

TOURISM

Struggle to make most of potential Page 12
Editorial production: Mike Smith.
Design: Dane Wilson. Photographs: Len Burt.

biggest of the minority religions. Yet, while even against the background of the present turmoil, the Government's position seems strong enough, the worry is that troubles will increase as India's patchy economic development increases the gaps between the rich and poor and between those with permanent jobs and homes and those without any such prospects for a generation or two. Then

extremists can move in and terrorism take over, as has gradually happened in the Punjab. "Our society's vulnerability is demonstrated by such signs of tension," one of India's most distinguished public servants said about the riots in Bombay and the surrounding state of Maharashtra. "We have excitable volatile people and the tensions are reopened when the

country develops rapidly but leaves so many people poor and such poverty." In India there is a long tradition of political agitation by opposition groups which cannot use sophisticated communication methods with 700m people. Riots and mob violence and a large number of sudden deaths are also a common part of south Asian life. The aim of Mrs Gandhi and

her father, Jawaharlal Nehru, who died 29 years ago this month, has been either to absorb or to undermine communal and religious tensions so that extremists do not gain political or other power. Between them, Mrs Gandhi and her father have ruled India for almost all its 37 years of independence. Mrs Gandhi's supporters can point to the failure of the extreme right-wing anti-Muslim

Shiva Sena Party, which played a part in the recent Bombay riots, to gain real political power during its 20 years existence as vindication of this approach.

Yet the approach has fallen more seriously maybe than ever before in the Punjab where Sikh agitation has built up into the past two years' terrorism and confrontation with the Army culminating in last week's storming of the Golden Temple in Amritsar.

There are also wider considerations. The proximity of the Punjab to Pakistan, with which India has a precarious and fractious relationship, makes the Sikh troubles more significant.

Pakistan and India have been holding talks on normalising tourism and trade, and on some form of no-war or friendship pact. But the presence of both countries troops on either side of the border leads to regular rows. It also enables Mrs Gandhi to win personal political support at home by warning of the need for unity in the face of external forces—or the "foreign hidden hand" as it is often called.

Pakistan, in fact, plays a central role in India's overall foreign policy which continues to favour the USSR and to show distrust towards the U.S. In South Asia as a whole, Mrs Gandhi has increasingly tried to make India's presence felt, intervening in Sri Lanka's internal ethnic problems and building a fence on the border with Bangladesh to keep refugees out of the troubled state of Assam.

Yet, while internal troubles and foreign relations are the Government's dominant consideration, the progress of the economy is also crucial.

At home the economy has picked up following a good monsoon last summer and in the past fortnight this year's monsoon has started to break on time in the south, a good economic omen.

The Government claims economic growth for the five-year plan 1980-85 will at least meet the target average of 5.2 per cent a year, albeit from a

very low base. It says the 1983-1984 economy growth figure was 7 to 8 per cent and that industry, after an unexpectedly long time lag, began to expand faster a couple of months ago.

The Government is meanwhile continuing to open up the economy for foreign technology, equity finance, banking facilities, and for imports needed to fill gaps in home production. A rapid growth in the electronics industry has helped boost a consumer boom in the cities, but some of the impetus has gone out of the liberalisation reforms of the past three or four years.

Clampdown

Corruption remains wide-spread through seemingly almost all walks of Indian life and according to some politicians it is more accepted at all levels of government than ever before. But Mr Rajiv Gandhi, son and potential heir to the Prime Minister, is believed to want to spearhead a clampdown after the next election.

At present, the benefits that corruption bestow are widely blamed in India for slowing down the liberalisations of industrial and other policies which would reduce the personal power of politicians and civil servants.

The Civil and Military Gazette two years before India's independence published the following prayer: "O Lord grant that this day we come to no decisions, neither run into any kind of responsibility, but that all our doings may be so ordered as to establish new and quite unwarranted Government departments, for ever and ever, Amen."

That still seems to be the creed for much of India's government. The challenge for the next administration, in addition to finding longer-term solutions to the communal tensions, will be to accelerate the economic and other reforms started by Mrs Gandhi in the past few years. Then the prayer will seem less apt and India will receive more international credit for what it is achieving.

THE RAJ NEVER

The Raj was not always accustomed to such luxury. English weather did not encourage such extravagance. Neither did the English character.

Honed to a fine edge by harsh Victorian values, tempered by cold showers and kept to the straight and narrow by muscular Christianity it produced a breed of traveller happier when roughing it.

(And hapless when faced with sybaritic comfort).

How times have changed.

The warmer climes of far-flung possessions have forced a dramatic reappraisal.

It was discovered there is precious little virtue in being uncomfortable.

That efficiency need not be heartless, nor punctuality inhuman, and that travelling can actually be a pleasure. Which is where we come in.

With a fleet of gleaming 747s and Airbuses that span the world from Sydney in the East to New York in the West.

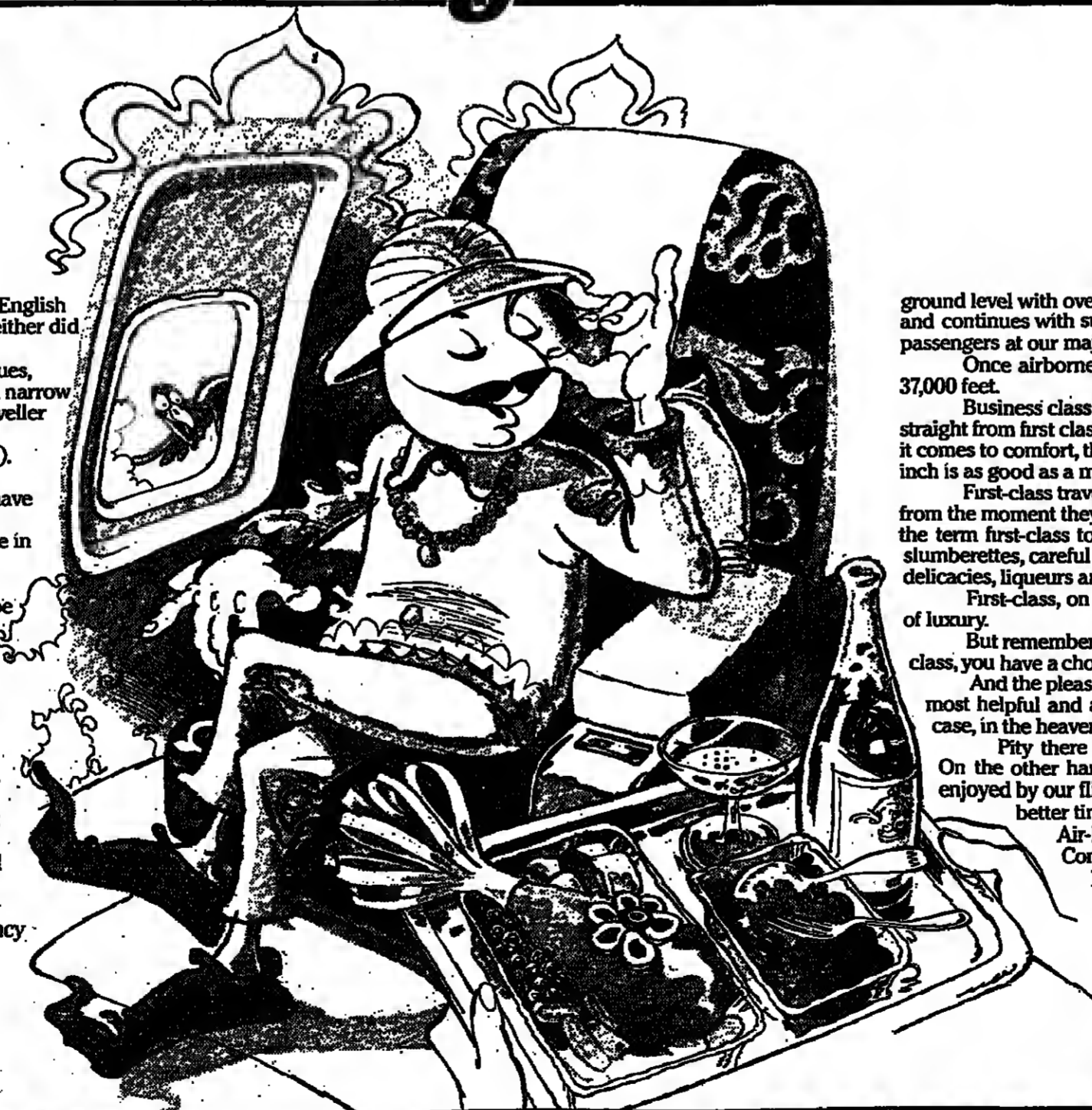
Carrying nearly 2 million passengers per year many millions of miles.

And flying to all places you'd expect to find a major international airline; New York, London, Delhi, Singapore, Tokyo, Hong Kong and Sydney.

We also fly to some of the places you might not expect to find us.

Like Birmingham, Moscow, Perth, Montreal and Rome. And a whole network of routes that criss-cross Africa and the Persian Gulf.

But no matter where you fly, luxury and efficiency are the keynotes of our service...a service that starts at



ground level with over 150 booking offices all over the globe, and continues with sumptuous Maharajah lounges for selected passengers at our major points of departure.

Once airborne, the theme continues steadily up to 37,000 feet.

Business class 747 travellers, will revel in the new seats—straight from first class—giving extra inches all round. (For when it comes to comfort, the long haul business traveller knows an inch is as good as a mile).

First-class travellers have a high time of it too. Pampered from the moment they step aboard, our Maharajah service raises the term first-class to undreamed-of heights with luxurious slumberettes, careful hospitality, and an unending choice of delicacies, liqueurs and tasty delights.

First-class, on Air-India is, without question, the height of luxury.

But remember, whether travelling tourist, business or first-class, you have a choice of the finest Indian or European cuisine.

And the pleasure of being looked after by some of the most helpful and attentive stewardesses on Earth. Or in this case, in the heavens.

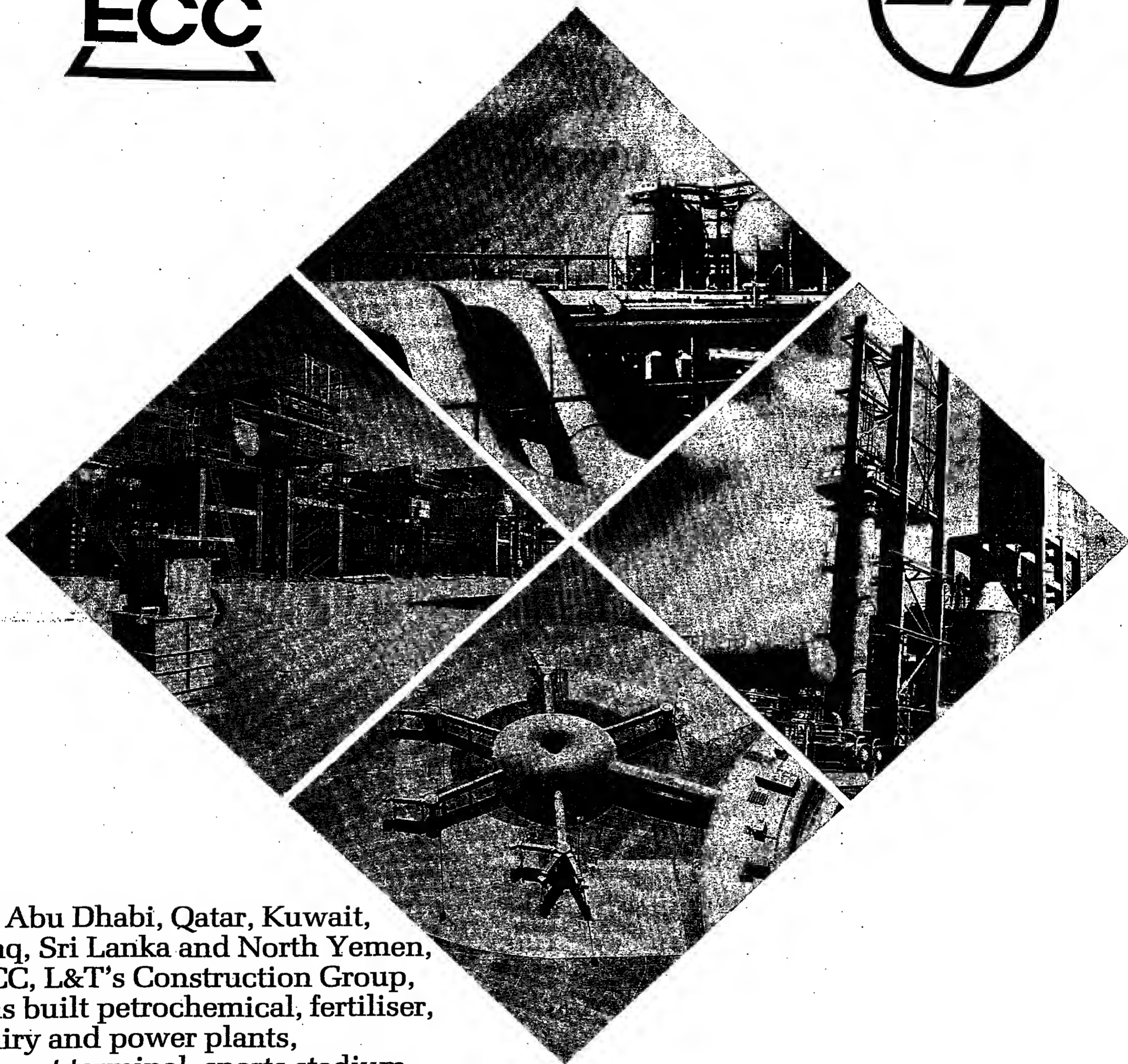
Pity there was no Air-India in the days of the Raj. On the other hand, judging by the record punctuality enjoyed by our flights, perhaps we could not have come at a better time.

Air-India. A higher plane than ordinary airlines. Contact your travel agent or phone AIR-INDIA, 17/18 New Bond Street, London W1Y 0BD.

Telephone: 01-491 7979.

AIR-INDIA

WALLAH'D IN SUCH LUXURY.



In Abu Dhabi, Qatar, Kuwait, Iraq, Sri Lanka and North Yemen, ECC, L&T's Construction Group, has built petrochemical, fertiliser, dairy and power plants, airport terminal, sports stadium, administrative buildings....

LARSEN & TOUBRO LIMITED

Bombay □ Madras □ New Delhi □ Calcutta

Energy

Massive investment planned

Electricity

SO FAR as India's long-suffering electricity consumers are concerned, 1983-84 has not been a good year.

The most widely quoted barometer of power industry efficiency, plant load factor, which shows the proportion of India's installed power capacity actually delivered electricity, confirms the story.

feasible. Although the seventh plan is several months away from completion, the power sector working group has recommended that by 1990 an additional 30,000 Mw be added to the existing system of 40,000 Mw at a cost of \$67bn.

If it happens, this will be one of the biggest, if not the biggest, crash programmes of power investment ever attempted anywhere in the world.

It is not often realised that by far the biggest growth in electricity demand in recent years has come from Indian farmers, who consume about 18 per cent of the country's power, compared with 10 per cent in 1970-71.

2-If the resources are available, will the industry's organisation, divided between centre and state, permit them to be spent as intended?

3-Are the country's electricity board engineers now sufficiently well trained to operate such a large amount of extra equipment?

In terms of projects completed and operational efficiency, both these organisations are counted a success in India, but the central generating corporations still account for only about 16 per cent of installed capacity.

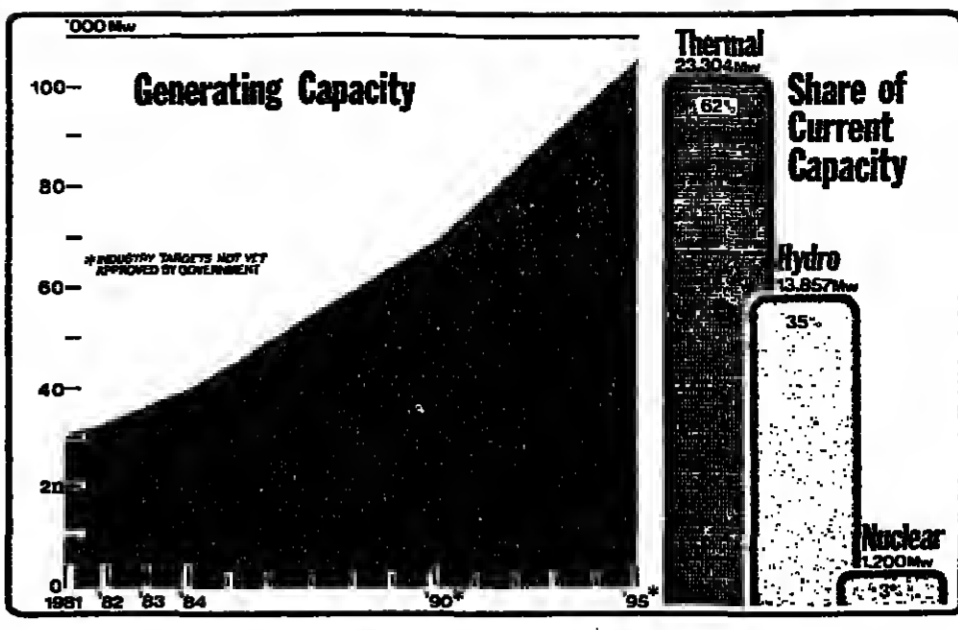
The centre, meanwhile, continues to reflect upon other ways of ensuring that money allocated to the states is spent as intended upon approved projects.

Technical faults in equipment are also essentially unpredictable, but much good cheer has been derived from the performance of 500 Mw units built recently by the domestic supplier, BHEL, for NTPC.

Just how all of this will be resolved is very uncertain. Government officials insist that they are not aiming for a centralised, British-style system, which would probably be unworkable anyway in a country the size of India.

Question number three—training—also involves speculation, but there is no doubt that India does have a solid core of young, well-trained engineers.

Headache Technical faults in equipment are also essentially unpredictable, but much good cheer has been derived from the performance of 500 Mw units built recently by the domestic supplier, BHEL, for NTPC.



Who's who in electricity

Department of Power: a subdivision of the Energy Ministry. Central Electricity Authority: responsible for co-ordinating the power plans of the states and centre and so often reflects the tensions between the two.

National Thermal Power Corporation: set up in 1976 as a central generating authority and has a major programme of building super-thermal power stations.

National Hydroelectric Power Corporation: the hydro equivalent of NTPC. Set up originally in 1973 to take over troubled hydro projects from the states, but will have a bigger role in the future.

State Electricity Boards: generate and distribute electricity and, increasingly, also buy bulk supply through five regional electricity authorities from the central generating boards.

PROFILE: K. L. PURI, CHAIRMAN OF BHARAT HEAVY ELECTRICALS

Modern-minded elder statesman

LIKE INDIA itself and like Bharat Heavy Electricals, the company he has led since 1980, Mr K. L. Puri is a composite of East and West, Socialist and capitalist, entrepreneur and bureaucrat.

Mr Puri's greatest source of frustration, or at least the one he is most likely to give vent to when meeting a foreign journalist, is that like a good public servant he has invested huge sums to increase his power generation capacity.

One consequence is that BHEL has diversified, into oil rigs, solar photovoltaics, fertilisers and electronics.



of the public sector's elder statesman, but a modern-minded one, and a non-stop series of awards to go with it.

Power planner Like a number of leading Delhi businessmen, Mr Puri was born in what is now Pakistan. Before taking the helm at BHEL, he managed to squeeze in with the High Commission in London, training in the Soviet Union and a period as the country's chief electric power planner.

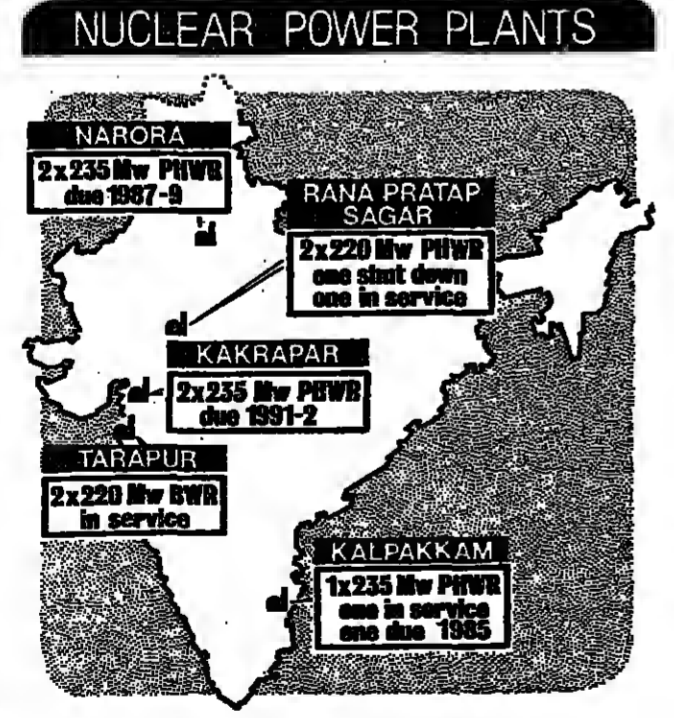
Financial management, especially stock control, has become important for BHEL since, in spite of the country's huge power investment programme, its workshops are facing a slack period, especially on the hydro-electric side.

His style at BHEL, the country's largest engineering firm and an approximate Indian equivalent of GEC,

Scepticism over ambitious targets

Nuclear power

"AT ONE time, I used to be superstitious and touch wood every time I said this, but now I don't," says Dr Raja Ramanna, chairman of the Atomic Energy Commission, as he completes a quick rundown of the state of his country's atomic power industry.



Rule-of-thumb capital costs for nuclear at 1983 prices are put by Dr Ramanna at Rs 10,000 per kilowatt, suggesting that the 10,000 MW programme will cost \$10bn.

Peaceful The political will for peaceful use of nuclear power remains strong, he insists. His own reporting line, as both chairman of the AEC and secretary of the Department of Atomic Energy, is direct to the Prime Minister.

Resolved Dr Ramanna believes that problems with the Franco-Swiss design of two of these units, based on the ammonia-hydrogen exchange process, are now resolved and that India will soon possess the ability to supply heavy water to support a nuclear power programme of 5,000 Mw.

target is hugely ambitious for a country whose guiding philosophy for 40 years has been self-reliance in nuclear technology, materials and fuel, coupled with staunch refusal to sign the nuclear non-proliferation treaty on the grounds that it sets one rulebook for the rich and another for the rest.

filling the balance in the programme with ten 500 Mw PHWR units, whose design is still on the commission's drawing board.

By the late 1990s, these reactors will, the commission believes, be producing sufficient plutonium to enable India to operate its first commercial fast breeder reactor at Kalpakkam early in the next century.

Business in India? Go in with our knowledge on your side.

Everybody has their own way of doing business, and India is no exception. As an international bank operating in India since 1853, HongkongBank understands the subtle differences, because we understand both your approach to business and that of India.



With one hundred and thirty-one years of practical experience, we've developed a special expertise in trade between India and the rest of the world.

We can offer you a comprehensive range of commercial banking services as well as specialist advice on trade finance and merchant banking.

Our Business Profile on India is just one example of the many specialist services we can provide. For your copy, or any business information on India, talk to our London Office at 99 Bishopsgate, London EC2P 2LA, or contact any of our offices in Birmingham, Edinburgh, Leeds and Manchester.

HongkongBank

The Hongkong and Shanghai Banking Corporation. Marine Midland Bank - Hongkong Bank of Canada - The British Bank of the Middle East - Hang Seng Bank Limited - Wardley Limited - Wardley London Limited

- The Hongkong and Shanghai Banking Corporation, Bombay Office: 52-60 Mahatma Gandhi Road, Bombay 400 023, India. The British Bank of the Middle East, Bombay Office: 16 Veer Nariman Road, Fort, Bombay 400 023, India.

CONSOLIDATED ASSETS AT 31 DECEMBER 1983 EXCEED US\$60 BILLION.

